

relatório & contas 2010 annual report & accounts

doing is connecting



thinking is doing



connecting is networking

networking is growing



visão VISION

Visão é ter um sonho e fazê-lo acontecer.

É pensar fazendo. É ligar o que queremos e podemos com o que querem as pessoas, com o que pede a sociedade, sem ter pedido ainda. É abrir mão de paradigmas do passado e abrir a porta a novos modelos de desenvolvimento. Em que os clientes são parceiros e os projectos, causas. Em que crescemos numa rede global de talentos e mercados.

2010 foi um ano extraordinário.

Foi o ano em que desenhamos uma nova visão, uma nova marca, uma nova cultura. **Tornar a vida das pessoas e das empresas mais simples e mais feliz** é o que inspira e guia a Novabase. É para isso que a tecnologia tem de servir. Somos uma empresa centrada nas pessoas. O que fazemos é por vezes invisível, mas o que tornamos possível e fazemos sentir não é.

Este livro conta a história desse ano. A história de um caminho que une rigor e empatia, tecnólogos e especialistas em ciências humanas. Um caminho iluminado por uma visão que abre novos horizontes de serviço, de inovação e negócio, em qualquer geografia. O que mais queremos é continuar a desenhar este caminho consigo.

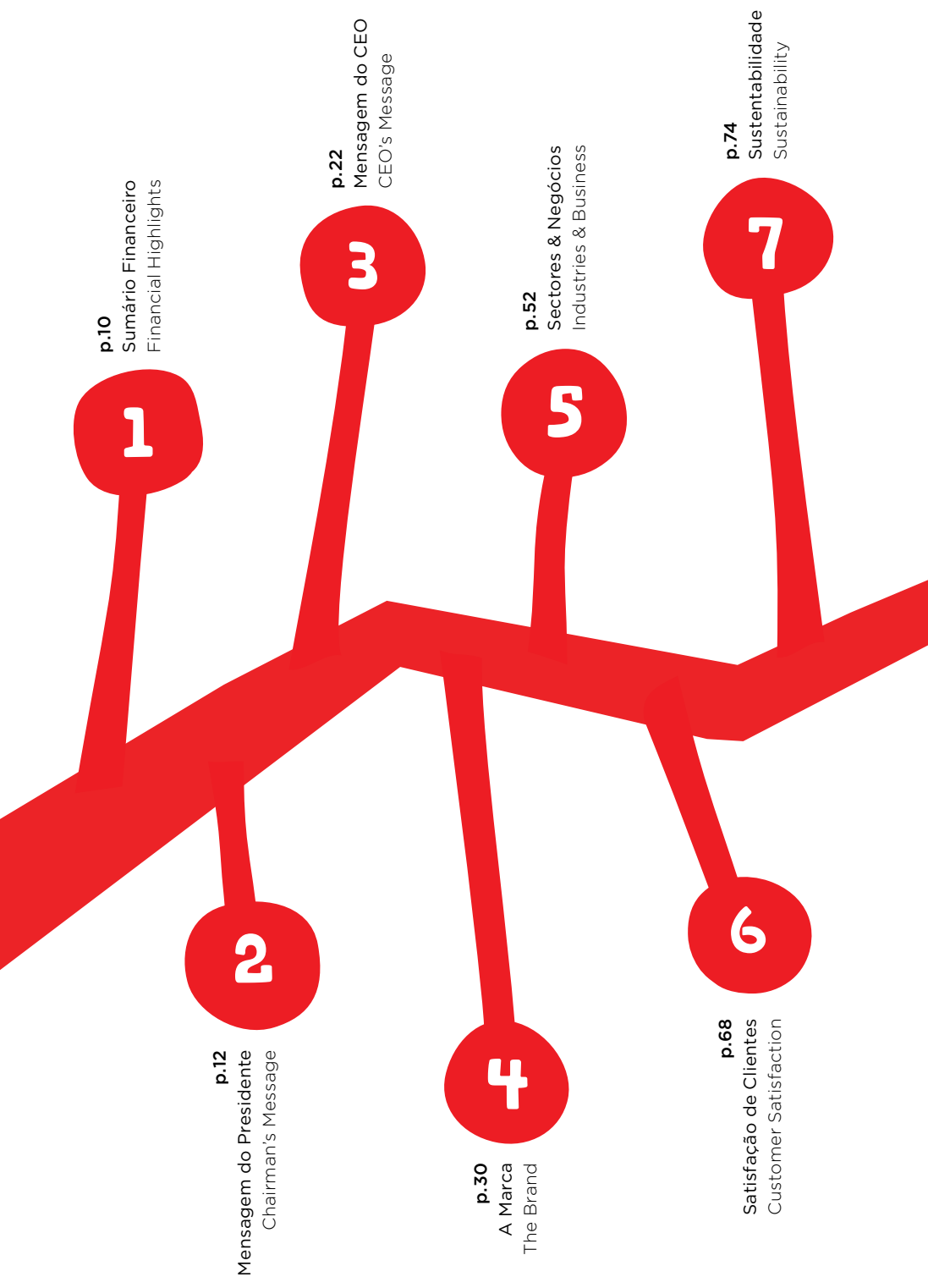
Vision is having a dream and making it happen.

It is thinking while doing. It is connecting what we want and can do to what people want, and what society wants without having asked for it yet. It is letting go of past paradigms and opening the door to new development models. Ones in which customers are partners and projects are causes. Ones in which we grow within a global network of talents and markets.

2010 was an extraordinary year.

It was the year in which we created a new vision, a new brand, a new culture. To make life simpler and happier for people and businesses is what inspires and guides Novabase. This is what technology is for. We are a company that is centred on people. What we do is sometimes invisible, but what we make possible and make people feel is not.

This book tells the story of that year. It is the story of a path that combines rigor with empathy, technicians with human sciences specialists. A path lit by a vision that opens up new horizons of service, innovation and business anywhere in the world. What we want most is to continue to create this path with you.



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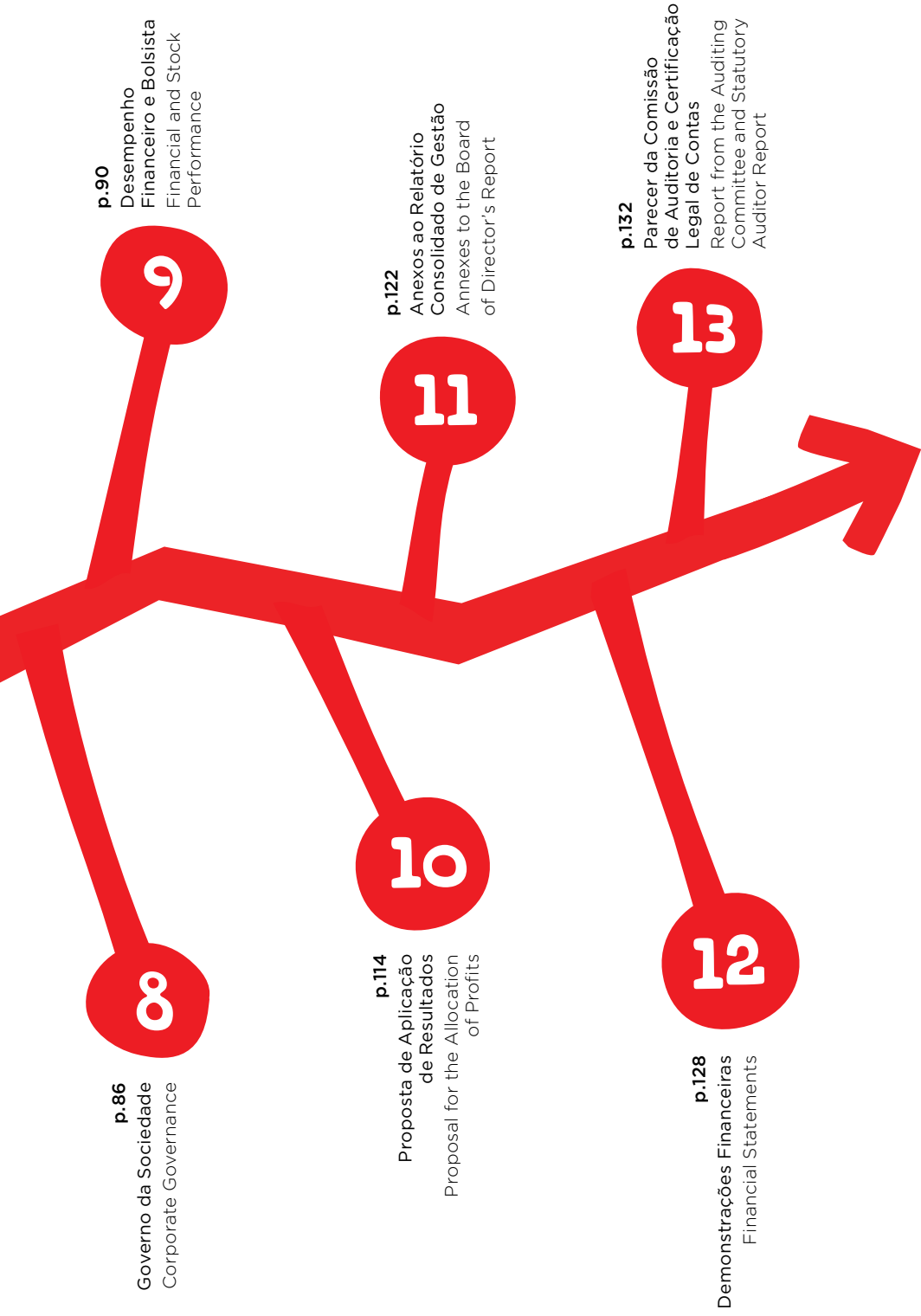
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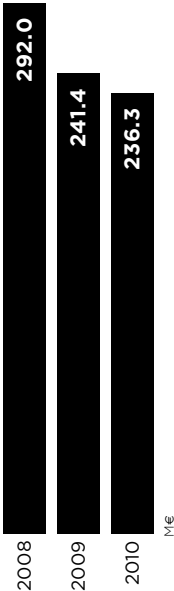


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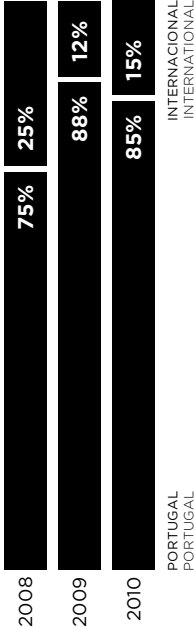




VOLUME DE NEGÓCIOS
TURNOVER



NEGÓCIO INTERNACIONAL
INTERNATIONAL BUSINESS

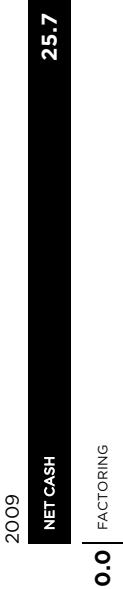
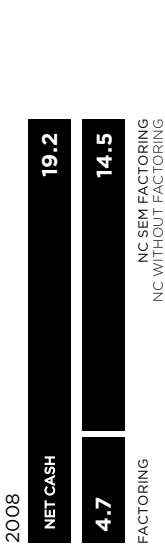


NEGÓCIO INTERNACIONAL POR ÁREA DE NEGÓCIO
INTERNATIONAL BUSINESS PER BUSINESS AREA



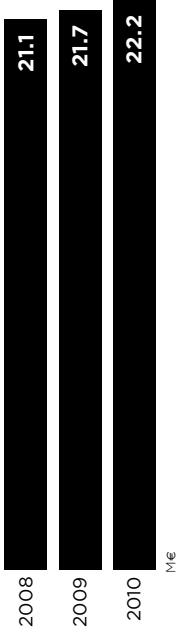
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GERAÇÃO DE CASH
CASH GENERATION

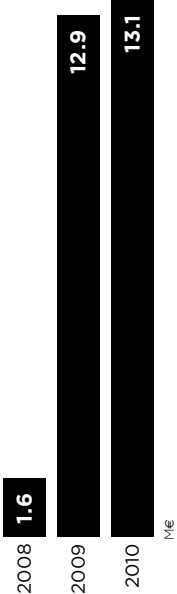


M€

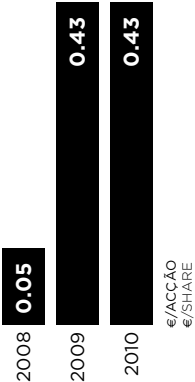
EBITDA
EBITDA



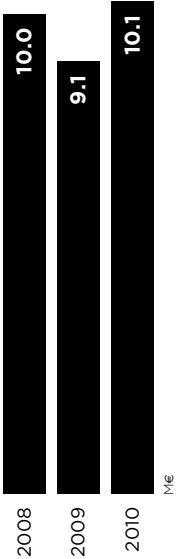
RESULTADOS LÍQUIDOS
NET PROFIT



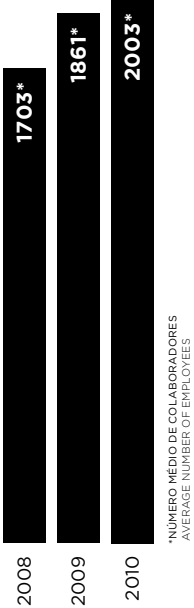
EARNINGS PER SHARE
EARNINGS PER SHARE



INVESTIGAÇÃO & DESENVOLVIMENTO
RESEARCH & DEVELOPMENT



COLABORADORES
STAFF



*NÚMERO MÉDIO DE COLABORADORES
AVERAGE NUMBER OF EMPLOYEES

“Temos grandes ambições
e projectos para o futuro.”

“We have great ambitions
and projects for the future.”



2

Mensagem do Presidente Chairman's Message

Senhores Accionistas,

Aberto um novo ciclo da vida da Novabase com a entrada na sua terceira década de existência, com um modelo de governo forte e já rodado, com os seus órgãos sociais renovados para um novo mandato, dos quais fazem parte um Conselho de Administração que designou um novo elenco para a Comissão Executiva, fazia todo o sentido que o exercício de 2010 constituisse um marco decisivo na preparação de um novo caminho de futuro para a empresa.

Dear Shareholders,

As a new cycle has opened up in the life of Novabase with the beginning of its third decade of existence, with a strong and proven model of governance and its governing bodies renewed for a new term, including the Board of Directors, which has appointed a new Executive Committee, it makes absolute sense that 2010 would be a benchmark year in preparing a new future for the company.

Assim foi efectivamente. Este novo ciclo teve o seu início em 2010 designadamente com as seguintes acções:

- a) Definição de uma nova missão, marca, valores e estrutura organizacional;
- b) Reforço do desempenho operacional;
- c) Reforço dos mecanismos de feedback dos principais stakeholders;
- d) Sofisticação dos mecanismos de governo societário, auditoria e controlo do risco.

As duas primeiras acções, conduzidas pela comissão executiva, são resumidas de forma cabal pelo CEO, Luis Salvado, na sua mensagem aos accionistas contida no presente relatório.

Destaco pela minha parte o grande envolvimento da organização que foi possível obter na primeira destas acções, o que constitui um sinal de grande vitalidade e dinamismo da mesma. A participação, os contributos recebidos, o feedback gerado, não só dos membros da organização, como também de muitos dos seus mais importantes stakeholders, são uma garantia de que estamos a seguir o caminho certo. O Conselho de Administração, no seu todo,

This is in fact what has occurred. This new cycle began in 2010 with the following actions:

- a) Defining our new vision, brand, values and organizational structure;
- b) Improved operating performance;
- c) Improvement of the feedback mechanisms of the main stakeholders;
- d) Sophistication of corporate governance mechanisms, auditing and risk control.

The first two actions, performed by the executive committee, are well summarized by CEO Luis Salvado in his message to the shareholders included in this report.

I have highlighted the significant involvement of the organization in terms of the first of these actions, which is a sign of its enormous vitality and dynamism. The participation, contributions and feedback – not only from the organization's members, but also of many of its most important stakeholders – are a guarantee that we are on the right path. The Board of Directors as a whole has participated in this process, has followed all of the main stages and has

participou neste processo, acompanhou todas as suas principais etapas e deu o seu contributo. Os elementos não executivos do CA, em reunião tida já em 2011 para avaliar o desempenho da organização e do CA no exercício de 2010, destacaram a colaboração franca e a abertura de todos os colegas membros da Comissão Executiva.

Destaco ainda, o excelente desempenho operacional registado pela organização num ano marcado por uma conjuntura difícil. A Comissão Executiva assumiu com grande clareza as opções de reforço da rentabilidade, apostou no aprofundamento da internacionalização, sofisticação e alargamento da oferta. Os efeitos começaram a ser visíveis já em 2010, designadamente através do crescimento dos resultados líquidos, do aumento significativo do volume de negócios internacional (20%), bem como do aparecimento de novas áreas de oferta, entre as quais destaco pela sua relevância, o sector da energia e da mobilidade eléctrica.

Sublinho ainda que, após comunicado ao mercado os resultados do exercício de 2010, o Conselho de Administração informou que irá propôr na próxima Assembleia-Geral Ordinária uma nova política de distribuição de dividendos.

given its contribution. The non-executive members of the Board of Directors, at a meeting held in 2011 to assess the performance of the organization and of the Board of Directors in 2010, have pointed to the frank collaboration and openness of all the members of the Executive Committee.

I also point to the excellent operating performance recorded by the organization during a year marked by a difficult economic backdrop. The Executive Committee has clearly accepted the options to increase profitability, expansion of internationalization, sophistication and expansion of supply. The effects became visible in 2010, especially in terms of an increase in net profit, a significant increase in international turnover (20%), as well as new supply areas, of which I highlight the energy sector and the electric mobility sector due to their importance.

I also point out that after communication of the 2010 results to the market, the Board of Directors informed that it will propose a new dividend distribution policy at the next Annual General Meeting of Shareholders.

Relembro que em 2010 os accionistas aprovaram já uma proposta de distribuição de dividendos extraordinários e ainda uma devolução de capital aos accionistas as quais foram executadas.

Ao nível dos mecanismos de feedback dos principais stakeholders, saliento designadamente a sofisticação incremental que tem vindo a ser conseguida no processo de recolha de opiniões de clientes (98% de respostas obtidas num universo de mais de 1000 projectos), subida significativa do NPS (Net Promoter Score) e tratamento de reclamações. Chamo ainda a atenção para a realização regular de roadshows, a seguir a cada uma das apresentações trimestrais de resultados, onde se consegue igualmente aferir a opinião dos investidores contactados. Este processo poderá ser ainda reforçado nos próximos anos, designadamente na sua componente internacional. O processo de apresentação de resultados em si foi ainda reforçado, do ponto de vista documental, com a utilização de novos suportes nas reuniões com analistas e com investidores. Os contactos com a imprensa foram também objecto de grande investimento por parte do CEO. Foi também particularmente cuidada em 2010 a comunicação com os colaboradores face à relevância do processo de mudança de visão, marca e estrutura organizacional.

I point out that in 2010 the shareholders had approved an extraordinary dividend distribution proposal, along with return of capital to shareholders, which were both executed.

In terms of mechanisms for feedback from the main stakeholders, I especially point out the incremental sophistication that has been implemented in the process of collecting customer opinions (98% of responses obtained from a total of over 1,000 projects), significant increase in NPS (Net Promoter Score) and handling of complaints. I also point out the regular holding of road shows after each quarterly presentation of results, whereby the opinions of contacted investors can also be assessed. This process can also be reinforced in the coming years, particularly in terms of its international component. The process of presenting results was also reinforced in terms of documentation using new media formats at meetings with analysts and investors. Contacts with the press were also the target of major investment by the CEO. Communication with employees in 2010 was also particularly meticulous in light of the process to change the company's vision, brand and organizational structure.

A comunicação com os vários stakeholders em geral, teve o seu momento alto no evento de lançamento da marca, que coincidiu com a habitual festa de Natal, e que foi invulgarmente aberta e participada tendo a empresa recolhido sobre a mesma amplo e muito positivo feedback.

Finalmente e no que respeita à sofisticação dos mecanismos de governo societário, destaco a colaboração que o Chairman obteve por parte da Comissão Executiva. O modelo de governo da Novabase prevê a possibilidade do Chairman acompanhar, sem direito a voto, as reuniões da mesma, o que foi feito na grande maioria delas. O trabalho conjunto no dia a dia com os colegas executivos foi sempre leal e muito gratificante. Uma palavra de grande apreço pelo trabalho desenvolvido pelo CEO com quem tenho sempre tido um excelente entendimento.

Por seu turno verifiquei com muito agrado o empenhamento de todos os colegas não executivos na vida da empresa. Quero destacar o trabalho muito profissional, detalhado e exigente da Comissão de Auditoria, que tem sido uma mais valia fundamental para a empresa. Agradeço o seu dinamismo e a coordenação eficaz do seu Presidente, Luis Mira Amaral.

Communication with various stakeholders in general reached its high point at the brand launching event, which coincided with the annual Christmas party, and which was unusually open and well attended, the company having received a lot of very positive feedback.

Finally, and with respect to the sophistication of corporate governance methods, I point to the cooperation that the Chairman obtained from the Executive Committee. The Novabase governance model provides for the possibility of the Chairman being present at the meetings without voting rights, which was the case at most of the meetings. Joint daily work with the executive colleagues was always loyal and very gratifying. I would like to express my great appreciation for the work developed by the CEO, with whom I have always had excellent rapport.

I have also been truly pleased to see the commitment to the company of all the non-executive colleagues. I would like to point out the very professional, detailed and demanding work of the Auditing Committee, which has been an essential asset to the company. I would like to thank them for their dynamism and the effective coordination of their Chairman, Luis Mira Amaral.

Agradeço a colaboração intensa dos auditores externos. Num ano de alteração do responsável pela auditoria externa, quero saudar as pessoas do anterior e do actual responsável, respectivamente Nasser Sattar e Jorge Costa, bem como todos os seus colaboradores.

No exercício de 2010 assistiu-se ainda ao regular funcionamento das restantes comissões especializadas do CA que avaliam o desempenho do mesmo e avaliam ainda o próprio modelo de governo societário e a sua aplicação. Uma palavra de saudação e agradecimento aos srs. Presidentes da Mesa da Assembleia Geral, António Vitorino e Comissão de Vencimentos, Francisco Murteira Nabo, pelo desempenho das suas funções que muito enriqueceram a vida da empresa.

Destaco ainda finalmente o reforço da atenção prestada ao tema do risco através de um acompanhamento mais próximo deste tema, em conjunto pelo Chairman, pela Comissão de Auditoria e Chief Risk Officer (CRO), em reuniões especialmente criadas neste exercício para este efeito.

I would like to thank the external auditors for their close cooperation. During a year in which the head of external audits was replaced, I would like to thank the respective previous and current heads Nasser Sattar and Jorge Costa, as well as all of their staff.

During the course of 2010 we also saw the regular functioning of the other specialized committees of the Board of Directors that assess the performance of the Board of Directors and assess the corporate governance model and its application. I would also like to thank the Chairman of the General Meeting Board António Vitorino and the Chairman of the Remuneration Committee Francisco Murteira Nabo for the performance of their duties, which have greatly enriched the life of the company.

I would also like to thank the attention paid to the topic of risk by the closer joint monitoring of this issue by the Chairman of the Auditing Committee and Chief Risk Officer (CRO) at meetings especially created for this purpose during the year.

Todo o trabalho aqui resumido traduziu-se num reforço significativo da empresa. Infelizmente não foi possível registar um reforço do valor accionista da mesma em linha com esse esforço, uma vez que a acção Novabase, cotada no Euronext Lisbon, desvalorizou em 2010 cerca de 35%. Descontada a remuneração extraordinária realizada, essa desvalorização foi mesmo assim de cerca de 24%. A reduzida liquidez registada no título é também um factor de preocupação. Reconhecendo estes resultados negativos ao nível do valor accionista, quero salientar que tem sido feito um trabalho que reputo de excelente, ao serviço da criação sustentada de valor da empresa, o reforço da sua resiliência e da sustentabilidade do seu negócio. É essa a missão da gestão, que pensamos estar em linha com o interesse dos senhores accionistas.

Entrámos em mais um ano difícil. A conjuntura nacional em 2011 será certamente especialmente exigente, ao mesmo tempo que a Novabase quer apostar no aumento do nível da sua internacionalização, processo que em si mesmo se reveste de desafios muito grandes e difíceis. Sabemos, por experiência própria, que atrás de cada dificuldade se esconde uma oportunidade. Saberemos certamente criar valor de cada oportunidade que iremos identificar e que escolhermos abordar.

All of the work summarized here has translated into a significant strengthening of the company. Unfortunately it was not possible to increase the shareholder value of the company as a consequence of that effort, seeing as Novabase's shares traded on Euronext Lisbon fell some 35% in 2010. Excluding paid up extraordinary remuneration, this drop was nonetheless some 23%. The decreased liquidity of the stock is also a cause for concern. Despite these negative shareholder results I would like to point out the excellent work in terms of sustained creation of the company's value, the strengthening of its resiliency and sustainability of its business. This is the mission of our management, which we believe is in line with the interest of our shareholders.

We have begun another difficult year. The country's economic backdrop in 2011 will be particularly demanding, while Novabase wishes to increase its internationalization, a process that is in and of itself filled with very significant and difficult challenges. We know from our own experience that behind each difficulty lies a hidden opportunity. We will surely create value from each opportunity that we find and choose to take on.



ROGÉRIO CARAPUÇA
PRESIDENTE DO CONSELHO DE ADMINISTRAÇÃO
CHAIRMAN OF THE BOARD OF DIRECTORS



“Internacionalizar é a vontade, o caminho, a estratégia para 2011.”

“Internationalisation is the will, the way, the strategy for 2011.”



3

Mensagem do CEO

CEO's Message

Caros Accionistas,

Em 2010 a gestão da Novabase continuou o trabalho já iniciado em 2009, nomeadamente o de reposicionamento da empresa para a capacitar para um novo ciclo de desenvolvimento e crescimento. Simultaneamente, as consequências da grave e profunda crise internacional continuaram a manifestar-se, o que exigiu um esforço especial para assegurar que a empresa não degradava o seu desempenho operacional.

Dear Shareholders,

In 2010, Novabase management continued its work from 2009, namely repositioning the company to enable a new development and growth cycle. Simultaneously, the lingering effects of the serious and intense international crisis required special efforts to avoid deterioration in the company's operating performance.

Cumprimento dos objectivos económico-financeiros

Uma vez mais a Novabase atingiu, em 2010, resultados históricos. Alcançámos os melhores Resultados Líquidos de sempre, ultrapassando os 13M€. Atingimos também a melhor Margem Operacional (EBITDA) de sempre, com 22,2M€. Continuámos a geração de cash: excluindo a remuneração accionista extraordinária, gerámos mais de 10M€. Apenas no Volume de Negócios não superámos 2009, com uma redução de 2%. Mas, nos 236M€ obtidos, conseguimos crescer onde mais nos interessava: 20% no negócio internacional e 7% nos Serviços.

Consolidação da posição de liderança

Para além dos indicadores económico-financeiros, a Novabase fez outros progressos igualmente importantes. Destacamos apenas os seguintes três pela sua particular importância para a sustentabilidade futura do nosso negócio:

- . Aumentámos o nível de satisfação dos clientes, como releva o nosso inquérito anual. Conseguimos uma impressionante representatividade nas respostas - 98% do Volume de Negócios, mais de 1 000 projectos - e melhorámos o Net Promoter Score.

- . Continuámos a reforçar a competitividade das nossas ofertas, através de mais de 10M€ aplicados em I&D, o que nos posiciona como a 1ª empresa do nosso sector em Portugal, incluindo todas as multinacionais, e 6ª em todos os sectores.

Meeting economic and financial goals

Once again, Novabase attained historical results in 2010. We achieved our best net profit ever, surpassing €13 million. We also saw the best-ever operating margin, or EBITDA, totalling €22.2 million. We continued to generate cash, which now exceeds €10 million, excluding extraordinary shareholder remuneration. Only our turnover fell short compared to 2009, with a decrease of 2%. However, of the €236 million obtained, we were able to grow where we wanted most: 20% in our international business and 7% in services.

Consolidating our leadership position

In addition to economic and financial indicators, Novabase made other equally important strides. Following are just three examples, which are particularly important to our business' future sustainability:

- . We increased our customer satisfaction level, as shown by our annual survey. We achieved an impressive response rate - 98% of turnover, more than 1,000 projects - and improved our Net Promoter Score.

- . We continued to increase the competitiveness of our offerings through more than €10 million in R&D investments, which has made us the number one company in our sector in Portugal, including all the multinationals, and number six overall.

. Continuámos a crescer a equipa da Novabase, não só em dimensão mas sobretudo em qualidade: desde as Academias, passando pelo Novabase-campus, até aos programas de mestrado nas melhores universidades do mundo, muito investimos no reforço das nossas competências. Criámos mais de 140 novos postos de trabalho altamente qualificados, a maioria dos quais através da contratação de jovens recém-mestrados e licenciados das melhores universidades do país. Enviámos o nosso primeiro doutorando para o programa do Carnegie Mellon University.

Definição da nova visão, marca, valores e estrutura organizacional

2010 foi também um ano especial para a Novabase por outros motivos. Foi o ano da nossa nova **visão**, que tem como objectivo **tornar a vida das pessoas e das empresas mais simples e mais feliz** através da utilização da tecnologia. Este trabalho contou com a participação de muitos colaboradores, clientes, parceiros, accionistas, analistas, e outros stakeholders importantes na vida da Novabase, como jornalistas.

É uma visão virada para fora e focada nos benefícios para as pessoas, quer sejam os nossos clientes quer sejam os clientes dos nossos clientes. É uma abordagem pioneira e inovadora. Cada cliente passa a ser uma oportunidade para mudarmos a vida de milhares ou milhões de pessoas.

Redefinimos também a nossa **marca** para melhor comunicar esta mudança. Surge um novo símbolo que pretende representar a união do lado esquerdo com o lado direito do cérebro, a ciência com o design, a engenharia com a consultoria, o rigor com a empatia.

. We continue to grow the Novabase team, not just in size, but above all in quality: from the Academies to the Novabasecampus and the master's programs at the best universities in the world, we have invested much in improving our skills. We created more than 140 new highly-qualified job positions, mostly by hiring new university and master's degree graduates from the country's top universities. We sent our first doctoral candidate to the Carnegie Mellon University program.

Defining our new vision, brand, values and organizational structure

2010 was also a special year at Novabase for other reasons. It was the year of our new **vision** of **making life simpler and happier for people and businesses** through usage of technology. Numerous employees, customers, partners, shareholders, analysts and other key Novabase stakeholders, such as journalists, took part in this work.

It is an outward-looking vision focused on benefits for people, both our customers and their customers alike. It is a pioneering and innovative approach. Each customer becomes an opportunity for us to change the lives of thousands or millions of people.

Evoluímos os nossos valores, a nossa cultura, de forma a vivermos esta nova empresa todos os dias. Em vez de substantivos ou adjectivos, usamos verbos no presente e na 1ª pessoa do singular. “Eu dou”, “Eu oiço”, “Eu ligo” e “Eu cresço” são os nossos valores. No “Eu dou” dizemos que devemos dar o máximo, o melhor de nós, primeiro, pelo cliente. Mas também por todas as pessoas; pelos colegas, pelos parceiros, pelos clientes dos clientes. “Eu oiço” significa que estamos sempre prontos a aprender. A ouvir, a ver, a deixar falar, a reconhecer, a colaborar, a fazer diferente, a pedir ajuda. “Eu ligo” revela o nosso compromisso com o talento e a felicidade, nossa e dos outros. Queremos um mundo de pessoas inteiras, um mundo em que quando vamos trabalhar não deixamos em casa o lado que gosta de cinema, de cozinhar, de andar de patins ou de tocar saxofone. As pessoas inteiras são mais felizes se usam os vários talentos como um todo. Finalmente, no “Eu cresço” afirmamos a nossa crença na importância dos resultados. Mas queremos resultados que cresçam connosco, sendo também nós próprios, o resultado final desse crescimento, desse desenvolvimento.

Criámos uma nova **estrutura de ofertas**, ainda mais diferenciada e próxima das necessidades dos clientes. Esta estrutura forçará uma maior especialização das ofertas nos vários sectores de actividade. Este movimento permitiu também libertar profissionais muito seniores para missões internacionais, um dos principais desígnios da empresa para os próximos anos.

We have also redefined our **brand** to better convey this change. A new symbol appears aimed at representing the union of the right and left sides of the brain, of science with design, engineering with consulting, rigor with empathy. We have evolved in terms of our **values** and culture so that we can experience this new company every day. Instead of nouns and adjectives, we use verbs in the present tense and in the first person. “I give”, “I listen”, “I connect” and “I grow” are our values.

We have created a new **product and service structure**, even more differentiated and closer to our customers’ needs. This structure will drive more product and service specialization in a number of business sectors. This development has also freed up senior professionals for international missions, one of the company’s main objectives for the coming years.

Caros accionistas,

2010 revelou que os resultados obtidos em 2009 não foram fortuitos. Mostrou que a Novabase é uma empresa sólida, resistente e que sabe conquistar a preferência dos clientes, mesmo em momentos difíceis como o actual.

Foi também um ano onde concretizámos importantes progressos na preparação da empresa para enfrentar um futuro que sabemos muito exigente. Acreditamos que a nova visão, marca, cultura e estrutura permitirão libertar ainda mais o potencial da grande equipa Novabase, com quem temos tido o privilégio de trabalhar. Sabemos também que todo este trabalho não seria possível sem o talento e o empenho desta equipa.

Apesar de meritórios, os resultados alcançados em 2010 não tiveram reflexo na capitalização bolsista da empresa que, descontada a remuneração accionista extraordinária, desvalorizou 24%. Este valor compara com uma depreciação de 10% no PSI20 e com uma valorização do índice EuroStoxx Technology de 17%.

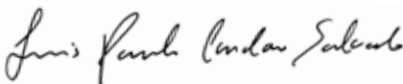
Em 2011 vamos continuar o nosso trabalho, com a confiança que nos dá o percurso já feito e a ambição do que ainda queremos realizar.

Dear shareholders,

2010 showed that the results obtained in 2009 were not fortuitous. It showed that Novabase is a solid, resistant company capable of winning customer preferences, even in difficult times like these.

It was also a year when we made major strides in preparing the company to face a future that we know will be demanding. We believe that the new vision, brand, culture and structure will unleash even more potential from the Novabase team with which we have been so privileged to work. We also know that all of this work would not have been possible without this team's talent and commitment. Although well-deserved, the results achieved in 2010 did not impact the company's market capitalization which, after extraordinary shareholder remuneration, fell 24%. Along with this figure, the PSI20 was down 10% while the EuroStoxx Technology index saw gains of 17%.

We will continue our work in 2011 with the conviction afforded by our journey to date and the ambitions of our work ahead.



LUÍS PAULO SALVADO
PRESIDENTE DA COMISSÃO EXECUTIVA
CEO/CHAIRMAN OF THE EXECUTIVE COMMITTEE





4

A Marca

The Brand

PORQUÊ UMA NOVA MARCA

Poucas são as empresas que atingem a sua visão. Mas foi o que nos aconteceu. Ao fim de 20 anos de vida, a Novabase era o líder português das soluções tecnológicas, à frente das multinacionais instaladas em Portugal. Por isso, essa visão já não inspirava. Foi uma ambição cumprida de escala, de dimensão num mercado doméstico, que felizmente a empresa ultrapassou: em 2010, a empresa já era internacional. O que interessava era uma visão que inspirasse o crescimento, que projectasse, a partir do que nos diferencia na nossa área de negócio, um valor único para a sociedade em qualquer ponto do mundo.

Uma visão focada na relevância, em qualquer geografia.

Foi assim que, ao fim de um ano de trabalho, de envolvimento de uma vasta equipa de *stakeholders* (colaboradores, clientes, parceiros, investidores, analistas e até jornalistas) nasceu uma nova visão e uma nova marca.

WHY A NEW BRAND?

Few companies attain their vision. However, this is what we have done. Twenty years after it was established, Novabase became the Portuguese leader in technology solutions, at the forefront of multinationals established in Portugal. That is why that vision no longer inspired us. It was an ambition that was surpassed with respect to scale and size in the domestic market: in 2010, the company was already international. What was essential was a vision that inspired growth, that projected a unique value to society on the basis of what differentiates us in our business area, anywhere in the world.

A vision focused on relevance anywhere in the world.

This is how after one year of work and involvement of a vast team of stakeholders (employees, customers, partners, investors, analysts and even journalists) a new vision and a new brand were born.



VISÃO VISION

Novabase, simpler and happier.

Tornamos a vida das pessoas e das empresas mais simples e mais feliz.

We make life simpler and happier for people and businesses.

Unimos desenho de solução e implementação,
promovemos uma cultura de alegria e entrega total,
transformamos clientes em parceiros,
crescemos em redes de conhecimento e competências.

O que tocamos, fazemos crescer;
onde chegamos, desenvolvemos;
onde estivermos, tornamos mais simples e mais feliz.

We combine solution design and implementation,
promote a culture of happiness and complete devotion,
we turn customers into partners,
we grow in networks of knowledge and competencies.

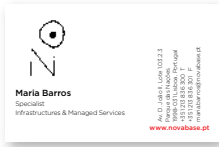
We make grow whatever we touch;
wherever we are, we develop;
wherever we are, we make things simpler and happier.

APARÊNCIA: uma nova linguagem

Dar corpo a esta nova visão implicou criar uma linguagem igualmente nova, uma linguagem capaz de traduzir e comunicar o que a Novabase pensa, sente, quer e faz.

Vivemos tempos de mudança profunda de paradigma, no pensamento, na política, na cultura, na economia. O pensamento visual junta-se ao pensamento verbal, a inteligência emocional à racional, as artes às ciências, o lado direito ao lado esquerdo do cérebro. Neste tempo em que emerge uma nova ordem, uma nova ética global, é já visível que as competências valorizadas e necessárias no séc. XXI são bem diferentes das que ouvimos valorizar enquanto crescíamos. São mais criativas, mais capazes de comunicar, são visualmente mais poderosas, envolventes e imediatas. Obsoletas são hoje quase todas as formas de comunicação em quase todas as áreas de consultoria e negócio. E não por causa dos suportes tecnológicos que usam ou não usam, mas por causa dos códigos antigos a que se apegaram: texto a mais, páginas a mais, síntese a menos.

A nova linguagem é a do novo tempo dos negócios. Multisensorial, vibrante, sintética e versátil, tanto expressa os dados mais rigorosos e abstractos como conta as histórias mais inspiradoras. Em qualquer contexto, é a expressão da vitalidade e da inovação que distinguem a Novabase.



APPEARANCE: a new language

Embodying this new vision required creating a new language, a language capable of translating and communicating what Novabase thinks, feels, wants and does.

We are experiencing times of profound change in paradigms, thought, politics, culture and economics. Visual thought joins with verbal thought, emotional intelligence with rational intelligence, art with science, the right side of the brain with the left side. In our time when a new order is emerging, a new global ethic, it is already visible that the skills that are valued and deemed necessary in the twenty-first century are quite different from those that were valued while we were growing up. They are more creative, more capable of communicating, visually more powerful, involving and immediate. Today almost all of the forms of communication in almost all of the consulting and business areas are obsolete. This is not because of the technology formats that are used or not used, but because of the old codes they cling to: too much text, too many pages, not enough summary.

The new language is that of the new business times. Multi-sensory, vibrant, succinct and versatile, expressing the most rigorous and abstract information, while telling the most inspiring stories. Whatever the context, it is the expression of vitality and innovation that distinguishes Novabase.



COMPORTAMENTO: uma nova cultura

A visão só se cumpre quando aparência e comportamento formam um todo coerente, quando todos os pontos de contacto da marca entregam uma experiência que reflecte essa identidade única. A marca guia e corporiza, de forma inspiradora e aspiracional, o que a empresa pretende ser e fazer. É isso que a torna um activo estratégico merecedor de investimento.

Em 2010, focámos a organização no que a distingue; definimos o nosso ‘credo’ de serviço, atitude, posicionamento e estratégia de crescimento.

BEHAVIOUR: a new culture

The vision can only be fulfilled when appearance and behaviour form a coherent whole, when all of the brand’s contact points provide an experience that reflects this single identity. The brand guides and embodies what the company seeks to be and do in an inspiring and aspiring manner. This is what makes it a strategic asset that is worthy of investment.

In 2010, we focused the organization on what distinguishes it; we defined our service motto, attitude, positioning and growth strategy.





Serviço | Service

Pensar é Fazer | Thinking is Doing

Integramos num único processo consultoria e tecnologia, solução de negócio e implementação técnica (menos custos, menos conflitos, mais eficácia).

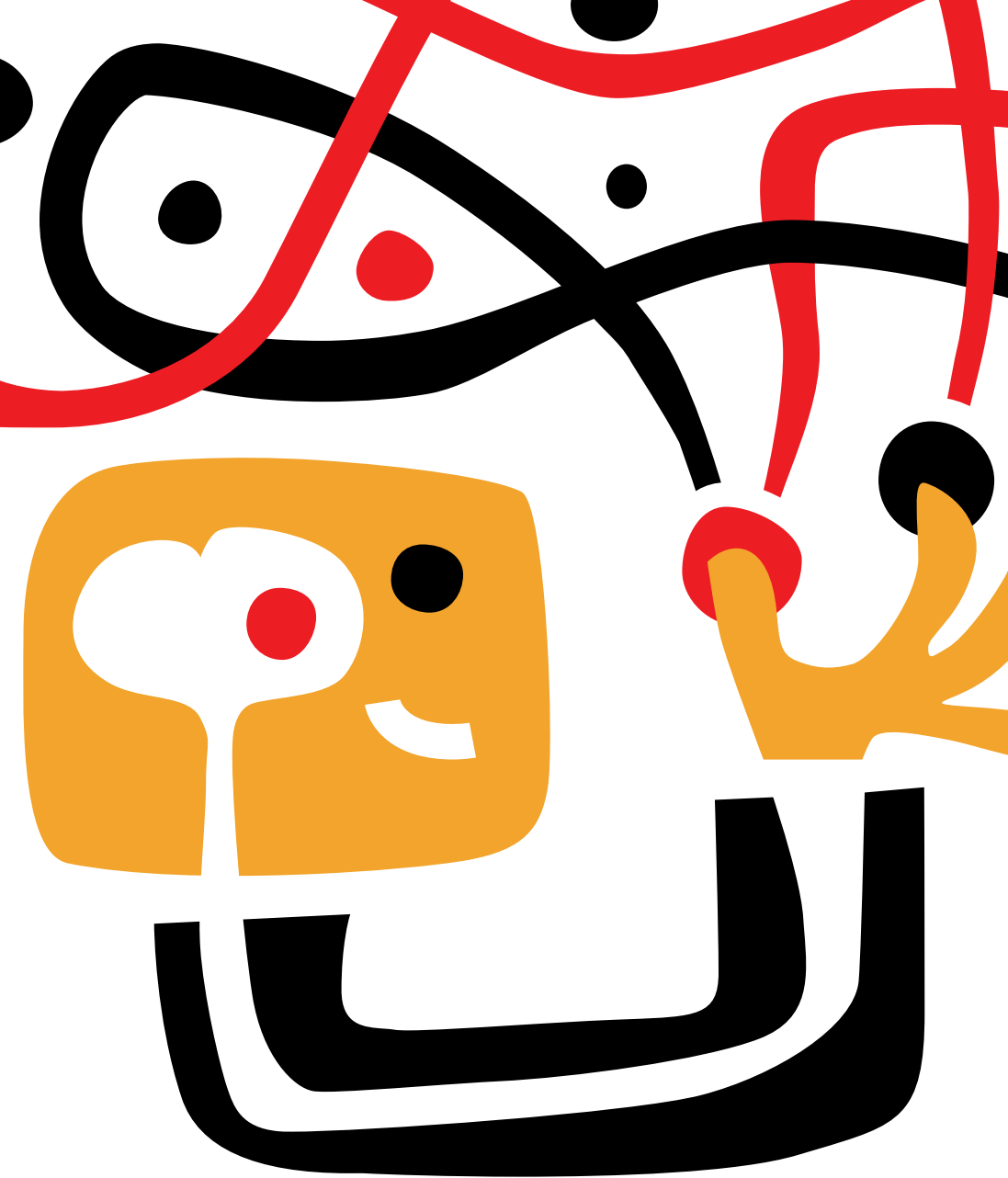
Queremos um mundo focado nos benefícios para as pessoas:

- . um mundo de conhecimento **multidisciplinar** que associa gestão e **design**, tecnologia e arte, engenharia e ciências humanas;
- . um mundo novo de pessoas que unem talentos e saberes em novas respostas (no terreno, não no papel);
- . um mundo mais determinado e mais capaz de chegar à melhor solução.

We integrate consultancy and technology, business solution and technical deployment into a single process (lower costs, less conflict, greater efficiency).

We want a world focused on benefits for the people:

- . a world of **multidisciplinary** knowledge that associates management with **design**, technology with art, engineering with social sciences
- . a new world of people that combine talent with knowledge into new answers (in the field, not on paper)
- . a world that is more determined and more capable of reaching the best solution.



Atitude | Attitude

Fazer é ligar | Doing is Connecting

Não fazemos negócios sem **empatia** ou sem ética, modelos e receitas que ignoram quem nos rodeia, Inovação sem atenção ao contexto.

Desafiamos a concorrência pela capacidade de relação, pela alegria da entrega, pela capacidade criativa, pela sede de conhecimento, pela rapidez de resposta, pela inovação à medida, pela paixão pela performance.

Queremos ser o B2B com o maior C do mundo: fazemos diferença para o cliente e para o **cliente do cliente**, fazemos diferença pelas pessoas e para as pessoas.

We do not do business without **empathy** or ethics, models and formulas that ignore those around us, innovation without attention to the context.

We challenge competition in the capacity for relationships, in **joy** through devotion, in the ability to be creative, in a thirst for knowledge, in speed in responding, in tailored innovation, in the passion for performance.

We want to be the largest B2B with the largest C in the world: we make a difference for the customer and for the **customer's customer**.



Posicionamento | Positioning

Ligar é Abrir | Connecting is Networking

Estamos nas áreas de saber que mudam a vida das pessoas e dos negócios.
Para tornar a **vida mais simples e mais feliz**.

Não queremos clientes. Não somos fornecedores. Queremos **causas**.
Queremos **equipas**. Queremos parceiros. Queremos projectos que se abrem
para novas causas. Queremos equipas que se abrem para novos projectos,
novas parcerias. Queremos **redes de entusiasmo** em torno de novas soluções.

We are present in the knowledge areas that change the lives of people and businesses.
To make life simpler and happier.

We do not want customers. We are not suppliers. We want **causes**.
We want **teams**. We want partners. We want projects that lead to new causes.
We want teams that lead to new projects, new partnerships.
We want **networks of enthusiasm** surrounding our new solutions.



Crescimento | Growth

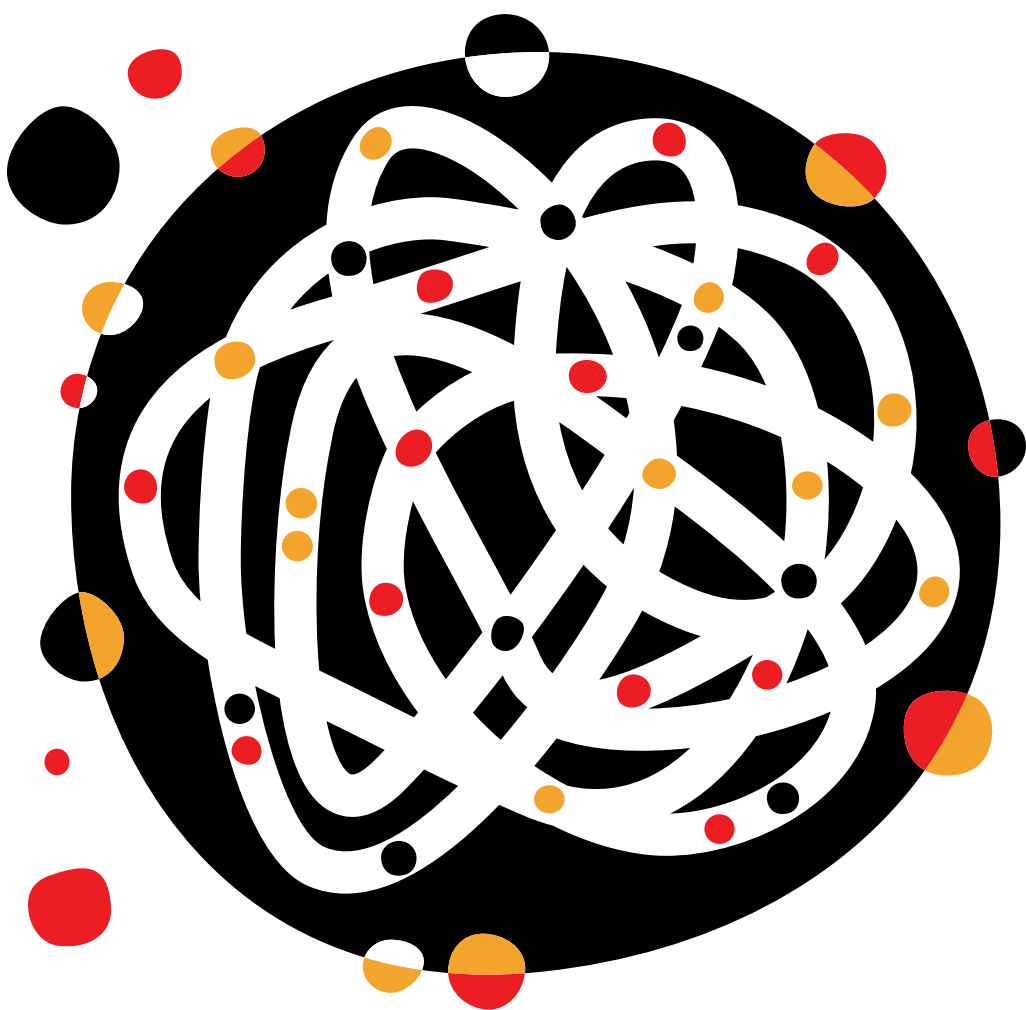
Abrir é Crescer | Networking is Growing

A nossa abertura atrai uma rede crescente: de talentos de diversas áreas de conhecimento, de parcerias em múltiplos sectores de actividade, de **culturas e geografias**.

Por inovação à medida das **pessoas**. Por uma solução que não só resolve: desenvolve. Por parceiros que **crescem** connosco. Para levar a mais pessoas e a mais empresas uma vida mais simples e mais feliz.

Our openness attracts a growing network: of talents in a variety of knowledge areas, of partnerships in multiple activity sectors, of **cultures and geographic areas**.

For innovation tailored to **people**. For solutions that not only resolve, but also **develop**. For partners that **grow** with us. To take a simpler and happier life to more people and more businesses.



RECONHECIMENTO

A nova marca é a linguagem de um novo pensamento, a tradução da visão, a tangibilização de uma cultura de síntese, de empatia, de orientação para o outro, de atenção ao talento, de transdisciplinariedade e de capacidade de partir das pessoas para chegar às pessoas. Uma cultura que vai actualizar a percepção que existe da Novabase. Primeiro, o nosso reconhecimento por pertencer a esta cultura, para depois podermos contar com o reconhecimento de todos. Não só dos clientes, mas dos seus clientes, de todas as pessoas, de qualquer lugar.

Neste desafio de construção da marca, aprendemos que as marcas se medem pelos admiradores e não pelos consumidores. É essa admiração que atrai novos clientes e sobretudo que define a base de confiança, proximidade e percepção de valor: relevância e reconhecimento, em qualquer geografia. Não vamos alcançar tudo o que queremos já amanhã. O que queremos é muito. Mas sabemos o quê e como. Temos tudo para lá chegar.

Somos uma marca de soluções tecnológicas capaz de olhar e de ler todo o contexto de sociedade, de negócio, de utilização, de aspirações e potenciais. Esse é o verdadeiro motor da inovação. A Novabase está absolutamente determinada a estimular uma cultura *human centred* e focada nos benefícios que cria para as pessoas.

É com este desafio que somos felizes.



RECOGNITION

The new brand is the language of new thought, the translation of vision, the incarnation of a culture of succinctness, empathy, orientation towards others, attention to talent, transdisciplinarity and the capacity to start with people in order to get to people.

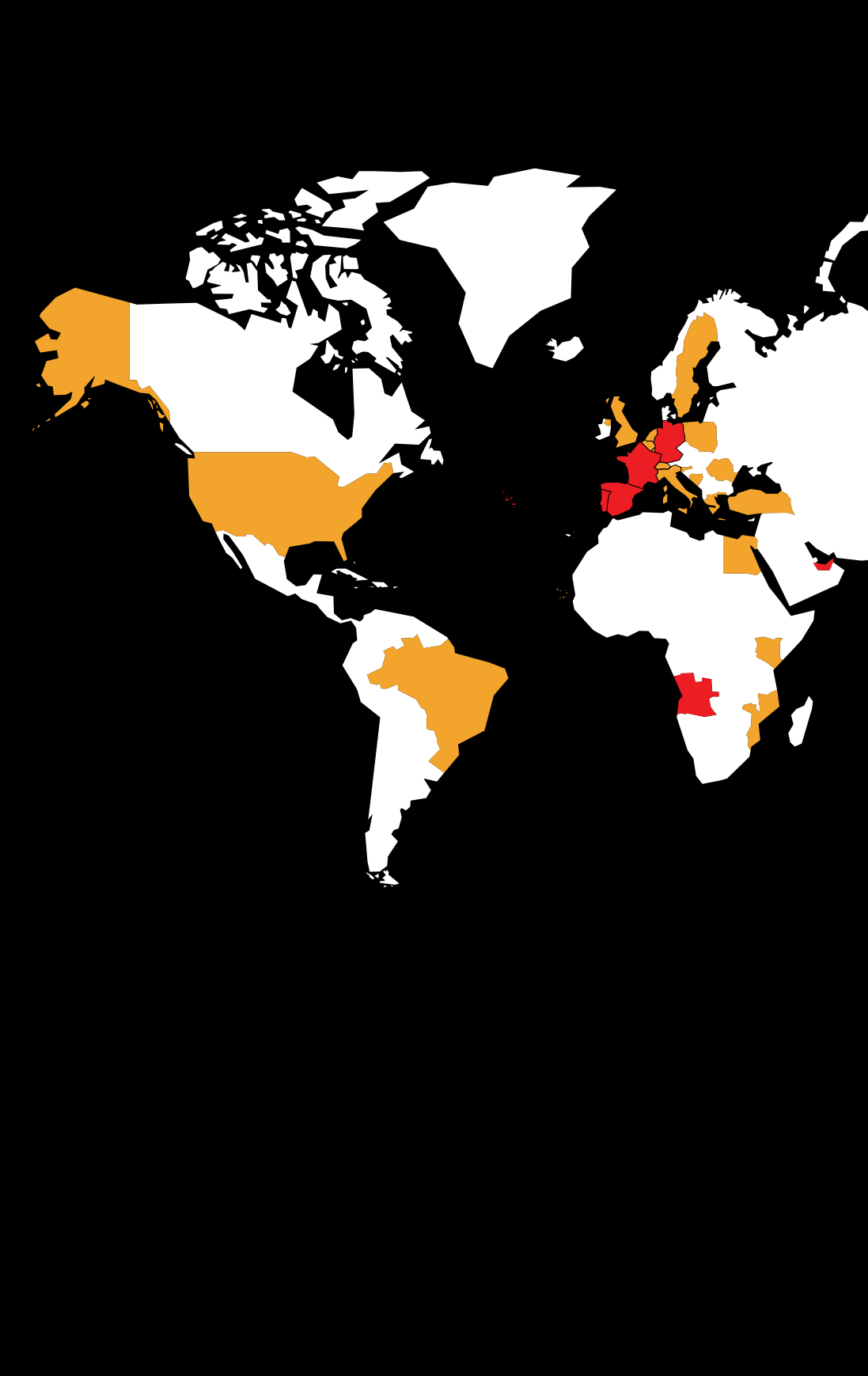
A culture that will update the existing perception of Novabase. All the paths we have taken ultimately lead to our goal of attaining recognition. Firstly, we maintain our own admiration for belonging to this culture, so we can then earn the admiration of everyone else. Not only the admiration of customers, but of customers' customers, of everyone, anywhere.

In this challenge to construct the brand we have learned that brands are measured by admirers and not by consumers. It is this admiration that attracts new customers and, most of all, defines the basis of confidence, proximity and perception of value: relevance and admiration anywhere in the world. We won't attain all our goals tomorrow. We want a lot. However, we know what we want, how and why. We have all that we need to get there.

We are a brand of technology solutions capable of seeing and reading the entire context of society, business, usage, aspirations and potential. That is the real driving force of innovation. Novabase is absolutely determined to stimulate a human-centred culture focused on the benefits it creates for people.

It is through this challenge that we are happy.







ESCRITÓRIOS/PROJECTOS

PORTUGAL

Lisboa - Porto - Açores

ALEMANHA

Munique

ANGOLA

Luanda

EMIRADOS ÁRABES UNIDOS

Dubai

ESPAÑA

Madrid

FRANÇA

Caen

PROJECTOS

Bélgica

Bósnia-Herzegovina

Brasil

Cabo Verde

China

Egipto

Eslovénia

EUA

Grécia

Itália

Luxemburgo

Malta

Moçambique

Países Baixos

Polónia

Quénia

Reino Unido

Roménia

Suécia

Suíça

Taiwan

Turquia

The World with Novabase

LIKE LIFE The World by Novabase



**INDUSTRY
& SERVICES**

**FINANCIAL
SERVICES**

**TELECOMS
& MEDIA**

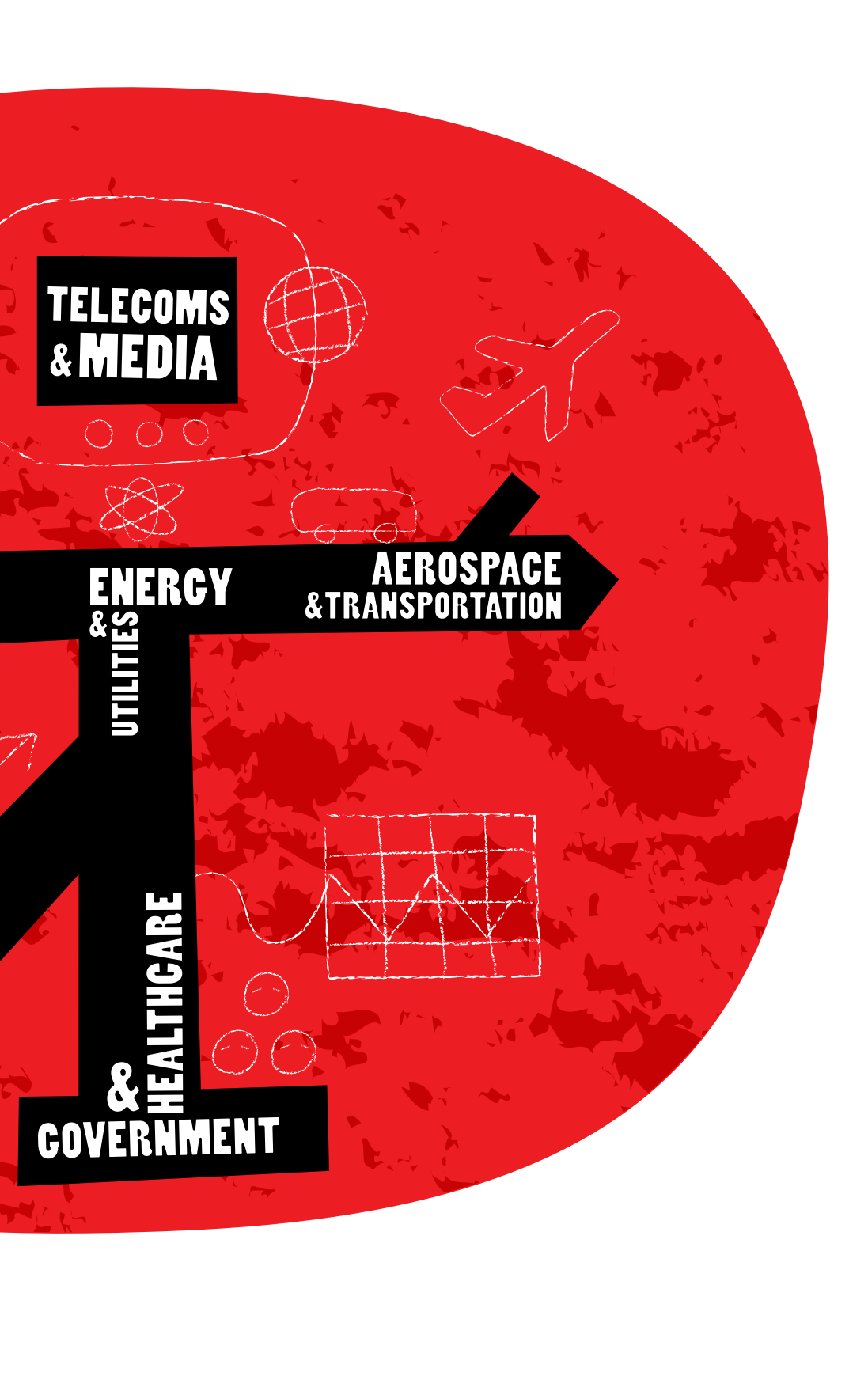
ENERGY

**&
UTILITIES**

**AEROSPACE
& TRANSPORTATION**

**&
HEALTHCARE**

GOVERNMENT





Sectores & Negócios Industries & Business

A Novabase coloca em primeiro lugar a especificidade do negócio de cada cliente. Por isso, tem a sua actividade estruturada em função de seis sectores – cada um deles com equipas dedicadas da Novabase – e em função da sua oferta de conhecimento, agregada em 4 áreas de negócio: *Business Solutions*, *Infrastructures & Managed Services*, *Digital TV* e *Venture Capital*.

Este modelo de organização permite dar resposta ao potencial de cada cliente (em Portugal ou em qualquer parte do mundo), disponibilizando soluções de qualquer uma das suas quatro áreas de negócio.

Novabase puts the specific needs of each customer first. For that, Novabase's activity is structured around six industries – each having a specialized dedicated Novabase team – and according to its offer of expertise, organized in 4 business areas: *Business Solutions*, *Infrastructures & Managed Services*, *Digital TV* and *Venture Capital*.

This organization model enables us to address the specific context and potential of each customer (in Portugal or anywhere in the world), offering solutions from any of its four business areas.

Industries



Industry
& Services



Energy
& Utilities



Telecoms
& Media



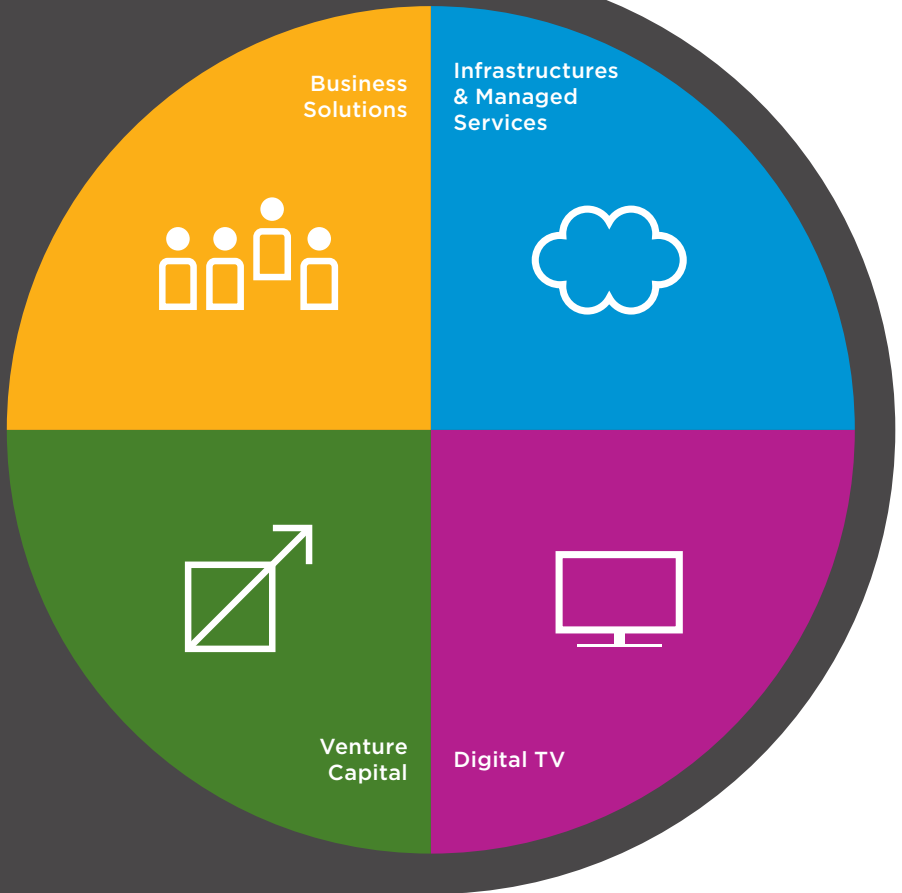
Financial
Services



Government
& Healthcare



Aerospace
& Transportation



Business Solutions

O negócio Business Solutions, constituído no final do ano de 2010, passa a agregar o negócio da Novabase Consulting e das áreas de Ticketing e de Managed Services (vertente aplicacional do outsourcing) anteriormente incluídas na Novabase Infrastructures & Managed Services. Desde sempre, integração é uma palavra-chave da Novabase e o Business Solutions reflecte um know-how profundo e integrado, focado nas soluções de negócio específicas para cada sector.

O modelo de negócio da Novabase integra diferentes competências, engenharia, gestão e design, permitindo-nos:

- . integrar no mesmo processo análise, desenho de solução e implementação
- . integrar diferentes áreas, sejam elas de negócio, de infra-estruturas ou de outsourcing
- . integrar diferentes talentos e competências em abordagens holísticas e transdisciplinares
- . integrar diferentes tecnologias (já existentes ou criadas de raiz) na melhor solução específica
- . integrar a experiência de negócio de diversos sectores.

Business Solutions was created at the end of the 2010, and now includes Novabase Consulting and the Ticketing and Managed Services areas (application area of outsourcing), previously part of Novabase Infrastructures & Managed Services. Integration has always been a key word at Novabase, and Business Solutions reflects an in-depth and profound know-how focusing on specific business solutions for each industry.

The Novabase business model integrates various skills, engineering, management and design, allowing us to:

- . integrate within the same process analysis and solution design and deployment
- . integrate various areas, whether they be business, infrastructure or outsourcing
- . integrate various talents and skills within holistic and transdisciplinary approaches
- . integrate various technologies (already existing or custom-made) into the best specific solution
- . integrate the business experience from different industries.

É pela ligação ao contexto que fazemos diferença e é pela capacidade de associação de diferentes recursos e instrumentos que transformamos clientes em parceiros de crescimento.

Nesta óptica, a área de Consultoria da Novabase demonstrou em 2010 um forte conhecimento sectorial dos principais mercados e uma forte especialização tecnológica.

A Novabase trabalha directamente com as maiores empresas e organismos nacionais, nos principais sectores e conta já com um conjunto relevante de experiências internacionais em quase todas as regiões do Mundo desde a Europa, ao Médio Oriente, América Latina ou África.

Em 2010, a Novabase Consulting registou um volume de negócios de 80.7M€ com uma margem EBITDA de 13.6%.

Our ability to connect to a greater context makes the difference, and our ability to associate different resources and tools turns customers into growth partners.

Accordingly, the Novabase Consulting area showed a strong sector knowledge of the main markets and strong technology specialization in 2010.

We now work directly with the largest companies and institutions from Portugal's primary economic sectors, and have a significant amount of international business in nearly every part of the world, including Europe, the Middle East, Latin America and Africa.

In 2010, Novabase Consulting's turnover was €80.7million with an EBITDA margin of 13.6%.

Infrastructures & Managed Services

A oferta desta área da Novabase foca as suas competências em engenharia e consultoria nas Tecnologias de Informação e Comunicações, para conceber, planear e implementar infraestruturas complexas bem como transformar, gerir, operar e otimizar esses activos, quer através de projectos abrangentes como de serviços de outsourcing.

A oferta de Infrastructures & Managed Services está organizada em duas grandes áreas de soluções: **Intelligent Infrastructures e IT Management** que foram verticalizadas e especializadas para os seis sectores onde a Novabase actua.

A suportar estas áreas de soluções especializadas existem dez centros de competência: Networks & Communications, Systems Databases & Storage, Virtualization & Datacenter, Facilities Design & Management, OSS-Operations Support & Security, IT Management, Manutenção de Infrastructure Maintenance, Channels and Technological Partnerships, Business Development e ainda um moderno centro de operações remotas, designado por **Agile Center**.

This area of Novabase focuses its engineering and consulting expertise in Information and Communication Technologies. Customers count on Novabase IMS to design, plan and deploy complex infrastructures as well as transform, manage, operate and optimize these assets through comprehensive projects such as outsourcing services.

The Infrastructures & Managed Services offer is organized around two large solutions areas: Intelligent Infrastructures and IT Management with specific expertise in the six industries where Novabase operates.

To support these solutions areas there are ten competencies centers: Networks & Communications, Systems Databases & Storage, Virtualization & Datacenter, Facilities Design and Management, OSS-Operations Support & Security, IT Management, Infrastructure Maintenance, Channels and Technological Partnerships, Business Development and also a remote operations center, the **Agile Center**.

A área de **Intelligent Infrastructures** desenvolve as suas competências de engenharia na prestação de serviços de consultoria e implementação no desenho e planeamento de arquitecturas de Comunicações com convergência Quad-play incluindo o vídeo e a mobilidade, arquitecturas de Cloud Computing, e Datacenters de Nova Geração. As arquitecturas e soluções desenhadas são sempre focadas na optimização e redução de custos de exploração através de metodologias e processos de consolidação, virtualização, automação e eficiência energética.

Na área da produtividade empresarial detém uma vasta experiência e referências na colaboração e comunicações unificadas com os processos e aplicações de negócio onde se destacam as soluções de telefonia e vídeo conferência IP, Telepresença, Contact Centers IP e ainda a possibilidade de desenvolvimento e integração à medida destas tecnologias com as aplicações críticas de negócio.

Os serviços de **Managed Services** e **Outsourcing** podem ser disponibilizados em vários modelos de entrega em que o mix entre as equipas *on site* e os serviços remotos a partir do Agile Center é ajustado à medida do cliente.

The **Intelligent Infrastructures** area uses its engineering expertise to provide consulting and deployment services in designing and planning convergent quad-play communications architectures including video and mobility, cloud computing architectures and next-generation data centres. The architectures and solutions designed by IMS are always focused on optimizing and reducing operating costs through consolidation, virtualization, automation and energy efficiency methodologies and processes.

In the area of enterprise productivity, IMS boasts substantial experience and references in collaboration and unified communications with business applications and processes, including solutions for telephony and IP video conferencing, telepresence, IP contact centres and the ability to custom-develop and integrate these technologies with business-critical applications.

Managed Services and **Outsourcing** are available under various delivery models where the mix of on-site teams and remote services via the Agile Centre is tailored to each customer.

O **Agile Center** é uma estrutura concebida e implementada em 2010. Com novas áreas dedicadas a **call desk** (multi-canal) e **service desk**, **operação e monitorização** (com um videowall de 8x2m) além de salas multi-função. Com espaços especificamente equi-pados para **laboratório** que permitem a realização de demonstrações, provas de conceito ou testes dos mais variados tipos e para **staging** de projectos de grande dimensão e qualquer tipo de equipamentos.

A ser utilizado como uma ferramenta estruturante no deployment de projectos de grande dimensão e geograficamente dispersos. Capaz de operar continuamente em regime 24/7/365, foi equipado com a mais actual tecnologia multimédia de alta definição. Do ponto de vista de comunicações, a vídeo conferência ou a telepresença permitem uma ligação permanente a clientes e parceiros.

O **Agile Center** serve também como demonstração de uma nova oferta para 2011: o estudo, desenho, renovação e implementação de salas de controlo e comando ou centros de operações em que os aspectos de ergonomia, os factores humanos, eficiência energética e o design

The **Agile Centre** was designed and implemented in 2010, with new areas dedicated to a call desk (multi-channel) and service desk, operations and monitoring (with a 8 x 2 m video wall) and multi-purpose rooms. It also has spaces specifically equipped as labs for demonstrations, proofs-of-concept, a wide array of testing, and staging of large-scale projects and all types of equipment.

Capable of non-stop 24/7/365 operation, it is equipped with the latest high-definition multimedia technology. From a communications standpoint, video conferencing or telepresence provides a continuous connection to customers and partners.

The Agile Centre also serves as a showpiece for Novabase IMS' new offering for 2011: the study, design, renovation and deployment of control and command rooms, or operating centres, where aspects involving ergonomics, human factors, energy efficiency and customer brand design will be integrated transparently using an interactive approach supported by simulations and virtual reality.

de marca do cliente, serão integrados de forma transparente através de uma abordagem interactiva e suportada em simulações e realidade virtual.

A área de **IT Management** disponibiliza serviços de auditoria, consultoria e formação em reengenharia e automação de processos, racionalização, risco e controlo interno, planos estratégicos de SI/TI, integração de boas práticas e certificação em normas e conformidade com regulações. As suas competências estendem-se à engenharia de serviços, segurança de informação, continuidade de negócio e sustentabilidade. Complementam esta oferta soluções de software para a gestão de portefólios de projectos e programas, a gestão e qualidade de serviço, monitorização, operações e segurança.

O ano de 2010 foi um ano que se destaca pelo lançamento de novas ofertas e por uma aposta muito forte na criação de valor através da prestação de serviços remotos para clientes nacionais e internacionais.

Em 2010, a Novabase IMS registou um volume de negócios de 103,1 M€ com uma margem EBITDA de 8.4%

The **IT Management** area provides auditing, consulting and training services in process reengineering and automation, streamlining, risk and internal control, IS/IT strategic plans, best practice integration, certification in standards and compliance with regulations. Its expertise extends to service engineering, information security, business continuity and sustainability. Its offerings are rounded out by software solutions for managing project and program portfolios, service quality and management, monitoring, operations and security.

2010 was marked by the launch of new products and services and a solid focus on added value through remote services for domestic and international customers.

In 2010, Novabase IMS' turnover was € 103.1 million with an EBITDA margin of 8.4%.

Digital TV

A área de Digital TV da Novabase é hoje um player de referência internacional, com um posicionamento no mercado alinhado com uma estratégia de *intellectual property*, *system integrator* e de forte aposta no desenvolvimento da oferta direccionada para Operadores de Telecomunicações, Televisão e Media.

No mercado Português, a Novabase DigitalTV consolidou o seu posicionamento na cadeia de valor dos principais Operadores, integrando as componentes core da área de Video Digital, na implementação dos serviços emergentes mais sofisticados como o Video-On-Demand, IPTV e Conteúdos On-line. Construiu ainda uma oferta robusta nas áreas de Homenetworking, essencial para que todo o serviço de Video possa chegar com qualidade ao ecrã do utilizador final.

No mercado internacional, em 2010, foi continuado o desenvolvimento e integração das linhas de negócio adquiridas à Technotrend que foram consideradas relevantes para o desenvolvimento do negócio de Digital TV a nível internacional (Novabase Digital TV Technologies):

Novabase Digital TV is now a player on an international scale, positioned in the market in close alignment with the strategy of intellectual property, system integrator and a solid focus on products and services targeting telecommunications, television and media operators.

In the Portuguese market, Novabase Digital TV has consolidated its position in the value chain of major operators, integrating core components from the digital video area, to deploy more sophisticated emerging services such as Video-On-Demand, IPTV and On-Line Content. It has also built a robust offering in the areas of home networking, essential for the entire video service to reach the end user's screen with quality.

In the international market, in 2010, business lines acquired from Technotrend – considered important in developing the digital TV business internationally (Novabase Digital TV Technologies) – were further developed and integrated:

. Executou-se com sucesso a incorporação das equipas de Investigação & Desenvolvimento baseadas em Portugal, Alemanha e França a trabalhar em ambiente internacional, consideradas como decisivas para o desenvolvimento dos activos geradores de intellectual property.

. Venderam-se os primeiros projectos SIP (System-In-Package) para Satélite Pay-TV na Índia.

Os Clientes nesta área são principalmente fabricantes de set-top-box (no mercado OEM/ODM), operadores de *pay TV* ou Telcos (no mercado de operadores), e clientes residenciais (no mercado de retalho). O mercado de retalho está endereçado através dos fabricantes de STB que usam a tecnologia da Novabase através de licenciamento. A Novabase está essencialmente focada nos mercados emergentes onde estes investimentos vão acontecer em maior escala.

Estima-se que o mercado global de set-top-box para Digital TV cresça a ritmos muito elevados, impulsionado pelo fim de operação do sistema analógico, a ocorrer até 2012 na

. Research and development teams based in Portugal, Germany and France, working internationally and considered essential in the development of assets generating intellectual property, were successfully incorporated.

. The first SIP (System-In-Package) projects for satellite pay TV in India were sold.

Customers in this area primarily include set-top box manufacturers (OEM/ODM market), pay TV operators or Telcos (operator market) and residential customers (retail market). The retail market is addressed via STB manufacturers who use Novabase technology through licensing. Novabase is primarily focused on emerging markets where these investments will be occurring on a larger scale.

It is estimated that the global set-top box market for digital TV is growing at an extremely fast pace, driven by the upcoming switch-off of the analogue system in Europe in 2012, as

Europa, de acordo com o determinado pelos reguladores. Outro factor de mercado bastante relevante é o crescente investimento de Operadores de Cabo e Satélite em mercados emergentes, como a América do Sul, Índia e Países de Leste.

A Novabase é pioneira no desenvolvimento das mais recentes tecnologias de COB e SIP, com um histórico de inovação e lançamento no mercado de novos produtos de grande valor para os Clientes (primeiro receptor DVB de tamanho reduzido, primeiro receptor FTA em formato scart, primeiro sistema de COB disponível, entre outros). A Novabase está preparada para endereçar o elevado potencial de crescimento, com menor exigência a nível de capacidade financeira, resultado da redefinição estratégica em relação à sua actuação no mercado.

Em 2010, a Novabase Digital TV registou um volume de negócios de 49.3 M€, com uma margem EBITDA de 4.4%.

determined by regulatory authorities. Another highly relevant market factor is cable and satellite operators' growing investments in emerging markets such as South America, India and Eastern Europe.

Novabase is a pioneer in developing the latest COB and SIP technologies, with a history of innovation and of launching new products of great customer value on the market (first compact DVB receiver, first FTA receiver in SCART format, first available COB system, among others). Novabase is poised to address the high potential for growth, with fewer demands in terms of financial capacity, thanks to its redefined strategy in terms of its market activities.

In 2010, Novabase Digital TV's turnover was €49.3 million with an EBITDA margin of 4.4%.

Venture Capital

A Novabase Capital, Sociedade de Capital de Risco, SA é uma empresa de capital de risco integralmente detida pela Novabase SGPS, SA. Tem como principal objectivo identificar e ajudar a desenvolver projectos empresariais portugueses de TICs, ainda embrionários ou em expansão, que apresentem um elevado potencial de valorização em sinergia com a Novabase.

A Novabase Capital é a sociedade gestora do Fundo de Capital de Risco Novabase Capital, com uma dotação de 7,14 M€ e participado em 30% pela Novabase Capital e em 70% pelo IAPMEI através do Programa PRIME e com co-financiamento da União Europeia via FEDER.

O portfolio do Fundo de Capital de Risco Novabase Capital em 2010 incluía as seguintes participadas:

Manchete - Estudos, Tratamento e Gestão da Informação, SA

A Manchete é uma empresa especialista em informação, que foca a sua actividade nas áreas de Análise de Media (TV, Rádio, Internet, Jornais e Revistas), Inteligência Competitiva e Reputação.

Novabase Capital, Sociedade de Capital de Risco, SA is a venture capital firm owned entirely by Novabase SGPS, SA. Its main purpose is to find and support Portuguese ICT business projects – in early development or expanding – with high value potential and synergies with Novabase.

Novabase Capital manages the Novabase Capital venture capital fund, with a provision of €7.14 million, held by Novabase Capital (30%) and IAPMEI/Institute for the Support of Small and Medium Enterprises (70%) through the PRIME Program, with co-funding from the European Union via the ERDF.

In 2010, the Novabase Capital venture capital fund's portfolio included the following affiliates:

Manchete - Estudos, Tratamento e Gestão da Informação, SA

Manchete is a company specializing in information and focusing on the areas of media analysis (TV, radio, Internet, newspapers and magazines), competitive intelligence and reputation.

Forward - Tecnologias de Informação, SA

A Forward presta serviços na área das Tecnologias de Informação, especialmente vocacionados para o sector das telecomunicações, tendo desenvolvido um produto inovador para Operadores Móveis Virtuais (MVNOs).

Dosapac - Automação de Edifícios, SA

Empresa especializada na concepção e instalação de Sistemas de Gestão de Edifícios integrando a Gestão Técnica Centralizada, a Domótica e sistemas de controlo específicos.

Collab - Soluções Informáticas de Comunicação e Colaboração, SA

Empresa de software que desenvolveu a solução OneContact para contact centers multimedia em ambiente IP, que integra todos os canais de relação com os clientes. O investimento contínuo em I&D tem tido amplo reconhecimento nos mercados internacionais onde actua.

Globaleda - Telecomunicações e Sistemas de Informação, SA

Empresa vocacionada para o desenvolvimento inovador das Tecnologias de Informação nos Açores. Gere uma rede de lojas próprias que cobre as principais ilhas açorianas, sendo o terceiro maior

Forward - Tecnologias de Informação, SA

Forward provides services in the area of information technologies, particularly targeting the telecommunications sector, and has developed an innovative product for mobile virtual network operators (MVNOs).

Dosapac - Automação de Edifícios, SA

Company specializing in designing and installing building management systems integrating centralized technical management, home automation and specific control systems.

Collab - Soluções Informáticas de Comunicação e Colaboração, SA

Software company that developed OneContact, a multimedia contact centre solution over IP, which integrates all customer relationship channels. Ongoing investments in R&D have been widely acknowledged in the international markets where it operates.

Globaleda - Telecomunicações e Sistemas de Informação, SA

Company dedicated to the innovative development of information technologies in the Azores. It manages a network of its own outlets covering

agente Vodafone em Portugal, e desenvolve actividade de Manutenção de Infra-estruturas de Telecomunicações nos Açores e no Continente.

Tendo em conta o alargamento da actuação da Novabase Capital, foram submetidas e aprovadas candidaturas a concursos do SAFPRI (Sistema de Apoio ao Financiamento e Partilha de Risco da Inovação), integrado no QREN e com co-financiamento da União Europeia via FEDER, privilegiando o investimento em PME's de base tecnológica na área das TIC. Nesse âmbito, encontram-se em processo de formalização e operacionalização duas dotações específicas, até um total de 11,36M€. A primeira, no valor de 10,1M€, destina-se ao financiamento de projectos de investimento que visem a inovação, a modernização e a internacionalização de PME's sedeadas nas regiões Norte, Centro e Alentejo, sendo comparticipada pelo Programa COMPETE em 5,0M€. A segunda dotação, no valor de 1,26M€, destinada à região de Lisboa e comparticipada pelo POR Lisboa em 0,5M€, destina-se ao financiamento de projectos de investimento na fase *Early Stage*.

Em 2010, a Novabase Capital registou um volume de negócios de 3,3 M€ com uma margem EBITDA de 12,5%.

the main Azorean islands, is the third largest Vodafone agent in Portugal, and performs maintenance activities for telecommunications infrastructures in the Azores and mainland Portugal.

In view of its expanded business activities, Novabase Capital applications were submitted and approved for SAFPRI (Support System for the Financing and Risk Sharing of Innovation) assistance under the QREN, co-funded by the European Union via the ERDF, for investment in technology based SME's in the ICT sector. As such, two specific provisions are in the process of being formalized and activated up to an amount of €11.36 million. The first provision in the amount of €10.1 million is earmarked for financing investment projects geared toward innovation, modernization and internationalization of SME's headquartered in northern, central and the Alentejo regions of Portugal, with the COMPETE Program contributing €5.0 million. The second in the amount of €1.26 million allocated to the Lisbon region with a contribution from POR Lisboa in the amount of €0.5 million is targeted toward financing investment projects in Early Stage phase.

In 2010, Novabase Capital's turnover was €3.3 million with an EBITDA margin of 12.5%.

com o apoio:









6

Satisfação de Clientes

Customer Satisfaction

Crescer.

Só com visão.

Todos queremos crescimento.
Mas é preciso ver longe para crescer bem.
Felizmente, podemos contar com a sua visão.

O que queremos é ser parte da mesma equipa
e, mais do que resolver, desenvolver.

Por isso, todos os anos damos voz a quem interessa,
todos os anos, fazemos a avaliação da satisfação
dos nossos clientes.

As suas respostas são o olhar com que contamos
Para crescer bem.

To grow.

But only with vision.

We all want growth.
But to grow well, one must see far. Fortunately,
we can count on your vision.

All we want is to be part of one team, and to progress
in addition to resolving.

**That is why every year we offer a voice to those
who matter,** every year we assess the satisfaction
of our customers.

Their responses are the vision we are counting on.
To grow well.

Em 2010, medimos, mais uma vez, toda a actividade.
Inquirimos sobre 1182 projectos, realizámos 755 entrevistas.
Em 2011, neste ano de nova marca, de foco nas pessoas e nos benefícios
que criamos, o índice de satisfação é o corolário dessa estratégia.

Once again, in 2010, we evaluated our entire business.
We investigated 1,182 projects and conducted 755 surveys.
In 2011, a year of a new brand focusing on people and the benefits
we create, the satisfaction index is the upshot of this strategy.

Superámos as expectativas We exceeded expectations

A Novabase acrescentou **mais** valor
ao seu negócio do que inicialmente previsto?

Did Novabase add **more** value
to your business than initially expected?



67,9%



81,1%

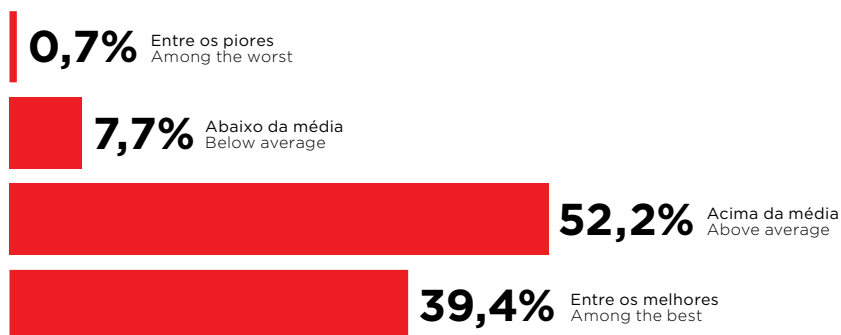
O desempenho atingiu completamente
ou superou as expectativas?
Did our performance fully meet
or exceed expectations?

Deixámos para trás a concorrência

We left the competition behind

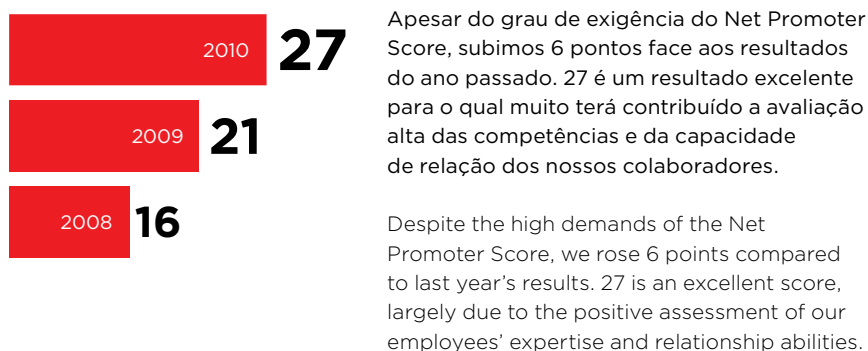
Em cada projecto, pedimos aos nossos clientes que nos comparassem com a concorrência. Inquirimos sobre as várias fases do serviço (proposta, gestão/implementação e manutenção), as características dos colaboradores Novabase e a relação qualidade/preço. Obtivemos mais de onze mil respostas, distribuídas da seguinte forma:

In each project, we asked our customers to compare us with competition. We inquired about various service phases (proposal, management/deployment and maintenance), the nature of Novabase employees and the quality/price ratio. We obtained more than 11,000 responses with the following breakdown:



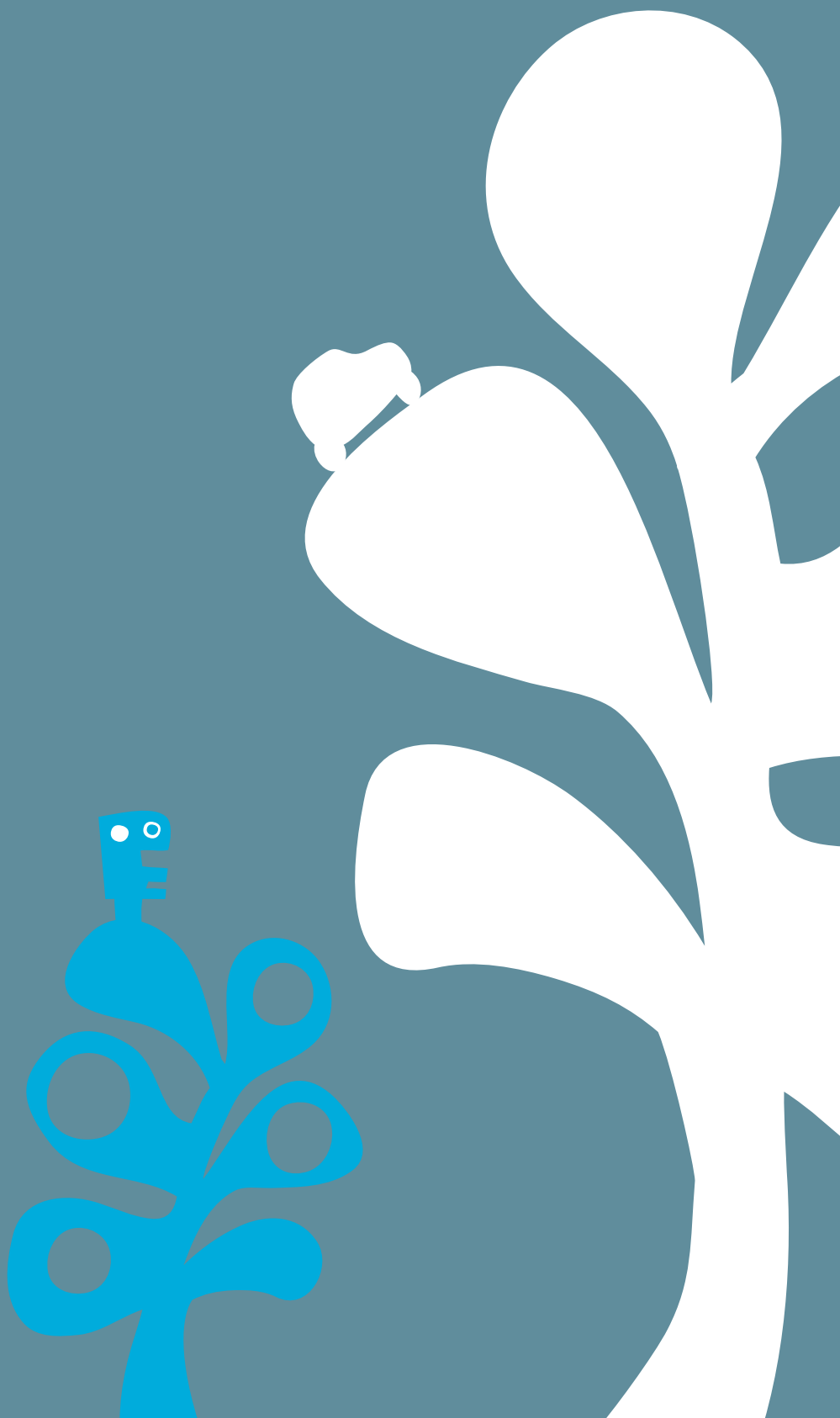
Subimos onde já era difícil

We progressed where it was challenging



O Net Promoter Score é uma métrica internacional de fidelização de clientes. À pergunta: "Recomendaria os serviços da Novabase a um amigo ou colega?", numa escala de 0 a 10, promotores são os que respondem 9 ou 10; detractores os que respondem de 0 a 6; e passivos os que escolhem 7 e 8. O resultado decorre da subtracção: % de Promotores menos a % de Detractores.

The Net Promoter Score is an international measurement of customer loyalty. To the question: "Would you recommend Novabase's services to a friend or colleague?", on a scale of 0 to 10, Promoters are those who answer 9 or 10; Detractors are those who answer 0 to 6; and Passives those who choose 7 and 8. The result is obtained by subtracting the percentage of Detractors from the percentage of Promoters.





7

Sustentabilidade

Sustainability

2010 foi um ano de grandes mudanças na Novabase, com a renovação da Visão e afirmação dos nossos Valores, que materializam o nosso posicionamento enquanto empresa e marca.

O crescimento da Novabase tem sido sempre sustentado pela afirmação da solidez, rigor, transparência, valorização dos seus recursos humanos e envolvimento com o mundo onde actua.

CRESCIMENTO, RIGOR E TRANSPARÊNCIA

O crescimento da Novabase tem sido enquadrado pela orientação estratégica para a criação sustentável de valor, como é evidenciado pelos indicadores financeiros do exercício de 2010.

2010 was a year of great change at Novabase, with our new vision and affirmation of values embodying our position as a company and brand.

Novabase's growth has always been sustained by affirmation of solidity, rigor, transparency, the value of its human resources and involvement with the world in which it operates.

GROWTH, RIGOR AND TRANSPARENCY

Novabase's growth has embraced the strategic guideline of sustainable value creation, as demonstrated by the financial indicators from 2010.

CRIAÇÃO DE VALOR PARA OS ACCIONISTAS
CREATION OF VALUE FOR SHAREHOLDERS

VN Turnover	236,3 M€
EBITDA EBITDA	22,2 M€
Resultado líquido accionistas Net shareholder profit	13,1 M€
Taxa de crescimento do VN Turnover growth rate	-2,1%
Taxa de crescimento do EBITDA EBITDA growth rate	2,0%
Taxa de crescimento do resultado líquido accionistas Net shareholder profit growth rate	1,3%
Crescimento do "net cash" Net cash growth	-4,6 M€
Return on Equity Return on Equity	14,1%
Return on Assets Return on Assets	8,5%

A Novabase é uma empresa cotada desde Julho de 2000, funcionando de acordo com um modelo de governo em permanente evolução, cujo objectivo é o de procurar contribuir para a optimização do seu desempenho e beneficiar todos os stakeholders - entidades cujos interesses estão envolvidos na actividade societária, nomeadamente os accionistas e investidores, os clientes e parceiros e os colaboradores.

A actuação da Novabase enquanto empresa cotada tem sido orientada pelas melhores práticas de Corporate Governance. A Novabase analisa de forma contínua a implementação deste modelo por forma a conseguir aperfeiçoar a evolução das suas práticas. Com esta finalidade, existe no seio do Conselho de Administração uma comissão especializada: Comissão de Avaliação do Modelo de Governo Societário.

A Novabase adoptou em 2010 um modelo mais ágil para a prevenção e gestão de riscos, designando um Chief Risk Officer ("CRO"), responsável pelos serviços de auditoria interna. O CRO reporta ao Presidente do Conselho de Administração, estando estipuladas reuniões com uma periodicidade pelo menos trimestral entre o Presidente do Conselho de Administração, o CRO e a Comissão de Auditoria. A Novabase foi novamente destacada

Novabase has been a listed company since July 2000. It operates according to a constantly-evolving corporate governance model, aimed at optimizing its performance and benefiting all of its stakeholders – those interested in its corporate activities, namely shareholders, investors, customers, partners and employees.

Novabase's activities as a listed company have been guided by best practices in corporate governance. In order to improve its governance practices, Novabase constantly analyses the implementation of this model. With that purpose, a specialized committee was set up within the Board of Directors: the Corporate Governance Model Assessment Committee.

Novabase was once again highlighted by the CMVM (Portuguese Securities Market Commission) in the study submitted in 2010 due to the quality of the reporting of corporate governance and the high degree of compliance with recommendations in their various forms.

Novabase adopted a more agile model in 2010 to prevent and manage risk, appointing a Chief Risk Officer (CRO), responsible for internal auditing services.

The CRO reports to the Chairman of the Board of Directors, with meetings taking place at minimum on a quarterly

pela CMVM, no estudo apresentado em 2010, pela qualidade do reporting sobre Governo Societário e o elevado cumprimento das recomendações nas suas diversas temáticas.

A Novabase mantém uma comunicação permanente com os seus stakeholders, quer na sua área de Investor Relations, quer na sua política de comunicação interna e externa, afirmando a sua política de rigor e transparência de actuação e de envolvimento com a sociedade onde actua.

CONHECIMENTO, DESENVOLVIMENTO E EMPREGO

A Novabase tem assumido e desenvolvido o seu papel e responsabilidade no âmbito do incentivo à criação de emprego, formação e desenvolvimento do Conhecimento.

Durante o ano de 2010 estivemos envolvidos em diversas iniciativas relacionadas com a responsabilidade social e corporativa da Novabase, reforçando o compromisso com o desenvolvimento sustentável.

Com o objectivo de reforçar a aposta na criação de emprego altamente qualificado, a Novabase contratou 400 recém-licenciados em cinco anos, através do seu programa Novabase Academy. Este programa de recrutamento, com edições anuais desde 2006, proporciona desde

basis between the Chairman of the Board of Directors, CRO and Auditing Committee.

Novabase has remained in constant contact with its stakeholders, whether with respect to investor relations, whether with respect to its internal and external communication policy, affirming its policy of rigor and transparency of action and involvement in the society where it operates.

KNOWLEDGE, DEVELOPMENT AND EMPLOYMENT

Novabase has taken on a clear role and responsibility in encouraging job creation, training and developing knowledge.

We took part in a number of initiatives involving Novabase's corporate and social responsibility in 2010, reinforcing our commitment to sustainable development.

To strengthen its commitment to creating highly qualified jobs, Novabase has hired 400 university graduates in four years through its Novabase Academy program. This recruitment program, with annual editions since 2006,

o seu início o ingresso de jovens no mercado de trabalho, tendo como principal objectivo a indução na vida empresarial de jovens recém-licenciados em áreas tão distintas como Engenharia, Gestão e Economia. Resultado do seu envolvimento e da sua visão e política de recrutamento, a criação de emprego na Novabase tem crescido sustentadamente, passando de 1861 para 2003 colaboradores em 2010 (valores médios). Além do ingresso e formação para recém-licenciados, a Novabase acolhe estágios curriculares para alunos dos cursos profissionais do ensino secundário – Estágios TIC – através de um acordo com o Ministério da Educação.

A Novabase apoia ainda a realização de mestrados em diversas áreas, com destaque para o Mestrado em Engenharia de Software leccionado pela Carnegie Mellon University (EUA) e pela Faculdade de Ciências e Tecnologia da Universidade de Coimbra, através do programa de atribuição de bolsas Novabase CMU/MSE.

A Novabase aposta continuamente no desenvolvimento dos seus colaboradores, quer na vertente tecnológica, com vista à certificação dos seus colaboradores nas mais variadas tecnologias e soluções, quer numa vertente de competências transversais e soft-skills, através do seu programa novabasecampus.

introduces young employees to the workplace, with the main goal of introducing university graduates in different areas (such as engineering, management and economics) to the business world.

Thanks to its recruitment policy and ongoing work in this area, job creation at Novabase has continued to grow, from 1861 to 2003 employees in 2010 (averages).

Along with hiring and training university graduates, Novabase hosts internships for students from secondary school professional courses (ICT internships) through an agreement with the Ministry of Education.

Novabase also sponsors master's degrees in various areas, including the noteworthy Master of Software Engineering degree, taught jointly through Carnegie Mellon University (USA) and the University of Coimbra's School of Science and Technology, through its CMU/MSE scholarships.

Novabase is also committed to ongoing technology training and development related to certification of its employees in an array of technologies and solutions involving both transversal and soft-skills, through the novabasecampus program.

No âmbito desta sua aposta no conhecimento e da sua responsabilidade social, a Novabase tem vindo também a desenvolver, nos últimos cinco anos, cursos de verão em inglês e tecnologias de informação para jovens alunos de escolas públicas em zonas carenciadas do concelho de Sintra. Em parceria com a Escola Americana, sediada no Linhó, a CAISL – Carlucci American International School of Lisbon, jovens com idades entre os 8 e os 9 anos, têm, graças a esta acção, contacto com uma forma diferente de ensinar, durante 3 semanas a tempo inteiro, em áreas que são fundamentais para o seu desempenho escolar futuro. Até ao momento, passaram por estes cursos cerca de 300 alunos. Com esta contribuição acreditamos dar um impulso fundamental na carreira de muitos jovens.

Sabendo e afirmando que apenas crescemos e nos desenvolvemos em parcerias, em redes, numa ligação ao mundo permanente e sustentada, a nossa aposta e compromisso resultam de uma visão de futuro, da importância que atribuímos ao reforço do talento e geração de conhecimento para o desenvolvimento comum.

Over the last five years, as part of this focus on knowledge and social responsibility, Novabase has also offered summer courses in English and information technology for young public school students from underprivileged areas of the municipality of Sintra. Thanks to this initiative, in partnership with the American School in Linhó, the Carlucci American International School of Lisbon (CAISL), these students, aged 8 to 9 years, have been exposed to a new learning approach over three full-time weeks in areas that are essential towards their future academic performance. With our contribution, we believe we are providing a key impetus in the careers of many young students.

Knowing that we can only grow and develop with partnerships, networks and with a constant and sustained connection to the world, our focus and commitment come from our future vision, and the importance we place on reinforcing talent and generating knowledge for our shared progress.

GREEN IT NO NEGÓCIO

A nível operacional, concretizámos a ampliação do âmbito do nosso Sistema de Gestão da Qualidade para um Sistema de Gestão Integrado com a incorporação de requisitos que contribuem de forma sustentada para o desenvolvimento do negócio. Com este objectivo desenvolvemos práticas de gestão de investigação, desenvolvimento e inovação (IDI) que conduziram à certificação de parte do nosso negócio na norma NP 4457, para a gestão de IDI e demos os primeiros passos na implementação dos sistemas de Gestão Ambiental (NP EN ISO 14001) e Gestão da Segurança e Saúde no Trabalho (NP 4397/OHSAS 18001).

O Sistema de Gestão Ambiental permite à Novabase melhorar continuamente o seu desempenho ambiental, gerindo de forma eficaz os aspectos ambientais significativos, directos e indirectos, resultantes da nossa actividade, protegendo o ambiente e prevenindo a poluição, tendo sempre em consideração a legislação aplicável.

Por outro lado, a implementação do Sistema de Gestão da Segurança e Saúde no Trabalho permite melhorar continuamente o desempenho de Segurança e Saúde no Trabalho, eliminando ou minimizando os riscos para a segurança e saúde dos nossos colaboradores e de outras partes interessadas, decorrentes da nossa

GREEN IT IN BUSINESS

From an operating standpoint, we expanded the scope of our Quality Management System to an Integrated Management system with the incorporation of requirements that contribute to developing the business in a sustained manner.

With this goal, we developed research, development and innovation (RDI) management practices resulting in certification of a part our business in the standard NP 4457 for RDI management; we also took the first steps in implementing systems for Environmental Management (NP EN ISO 14001) and Occupational Health and Safety Management (NP 4397/OHSAS 18001).

The Environmental Management System allows Novabase to continuously improve its environmental performance by efficiently managing key environmental aspects, both direct and indirect, resulting from our business, thereby protecting the environment and preventing pollution, always taking applicable legislation into account.

The implementation of the Occupational Health and Safety Management System provides constant improvement in occupational health and safety performance by eliminating or minimizing associated risks to our employees and other associates resulting from our business activities. In 2010 we completed

actividade. Durante o ano de 2010 realizámos a primeira fase da auditoria de certificação nestes referenciais, sendo o parecer da entidade certificadora que “a Organização dispõe de competências adequadas para desencadear acções correctivas eficazes e assegurar as condições necessárias para atingir os seus objectivos em conformidade com a sua Política”.

Ainda demonstrando o nosso compromisso com a sustentabilidade ambiental, desenvolvemos algumas iniciativas, nomeadamente:

- . Implementação de um projecto de eficiência energética no edifício, com a introdução de sensores de iluminação, controlo da luminosidade e da temperatura dos equipamentos de ar condicionado em função da hora e da alocação de recursos no edifício sede, entre outros.
- . Desenvolvimento de um sistema designado por CZS-*Carbon Zero Services*, que agiliza o cálculo da pegada de carbono dos projectos Novabase e poderá facilitar a definição de estratégias corporativas para a compensação das emissões.
- . Fomos a primeira empresa portuguesa a executar protótipos das soluções *Carbon Impact* e *Sustainability Module* da SAP, para avaliar e compreender a melhor forma de automatizar a produção de indicadores em conformidade com o GRI-*Global Reporting Initiative*.

the first phase of the certification audit in this regard. The certification authority's opinion was that the “the organization is properly prepared to take effective remedial actions and ensure the conditions needed to achieve its goals according to its policy”.

The following initiatives also demonstrate our commitment to sustainability:

- . Implementation of an energy efficiency project at the building, with new light sensors, brightness control and air conditioning equipment temperature control according to time and staff distribution at headquarters, among others;
- . Development of a Carbon Zero Services (CZS) system, which streamlines the calculation of the carbon footprint of Novabase's projects, and may help to define corporate strategies for offsetting emissions;
- . First Portuguese company to prototype SAP Carbon Impact and Sustainability Module solutions to assess and understand the best way of automate indicator production in accordance with the Global Reporting Initiative (GRI);
- . Participation in training and numerous events tied to sustainable development;

. Participação em formações e diversos eventos ligados ao desenvolvimento sustentável. Promovemos a realização de um evento especificamente dedicado aos Next Generation Datacenters, em que o foco foi a eficiência energética através da utilização de novas tecnologias de computação e virtualização e novos princípios de desenho de data centers através do recurso a técnicas de simulação de dinâmica de fluidos (CFD-*Computational Fluid Dynamics*). Convidámos um prestigiado orador do Gartner Group para, em conjunto com os nossos especialistas, trazermos para o mercado nacional o que de mais avançado se faz neste domínio a nível mundial.

. Consolidação e finalização do nosso envolvimento no desenvolvimento da arquitectura e do sistema de billing, assim como do sistema de gestão integrada dos fluxos financeiros e energéticos, do carro eléctrico nacional MOBI-E.

. Como a responsabilidade social também depende da auscultação dos seus stakeholders, realizámos um inquérito a todos os colaboradores a respeito dos aspectos de Segurança e Saúde no trabalho.

. Promotion of an event dedicated to next-generation data centres focusing on energy efficiency through new computing and virtual technologies, and new data centre design principles using simulated fluid dynamic techniques, Computational Fluid Dynamics (CFD); We invited a well-known speaker from the Gartner Group to join our specialists in bringing the latest cutting-edge developments in this field to the domestic market in a widely advertised, well-attended event;

. Consolidation and finalization of our involvement in developing the architecture, billing system and integrated management system of financial and energy flows for the national MOBI-E electric car;

. Since social responsibility also depends on listening to stakeholders, we surveyed all Novabase employees on occupational health and safety issues.

GREEN IT E AMBIENTE

Em 2011, a nível organizacional, está já agendada para Junho a auditoria do Sistema de Gestão Integrado, na sequência da qual pretendemos obter a certificação nas normas de Gestão Ambiental e Gestão da Segurança e Saúde no Trabalho.

Para além dos projectos internos, estamos a desenvolver produtos e serviços que ajudem os nossos clientes a alcançar níveis maiores de eficiência de processos e energia, contribuindo para o atingimento de suas metas sustentáveis.

Com a renovação da nossa visão temos uma ambição e uma missão muito clara de tornar a vida das pessoas mais simples e mais feliz, e estamos por isso empenhados em causas, causas sustentáveis e responsáveis.

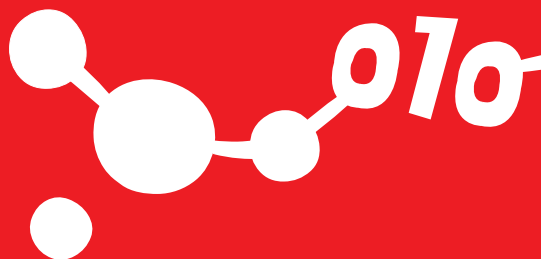
GREEN IT AND ENVIRONMENT

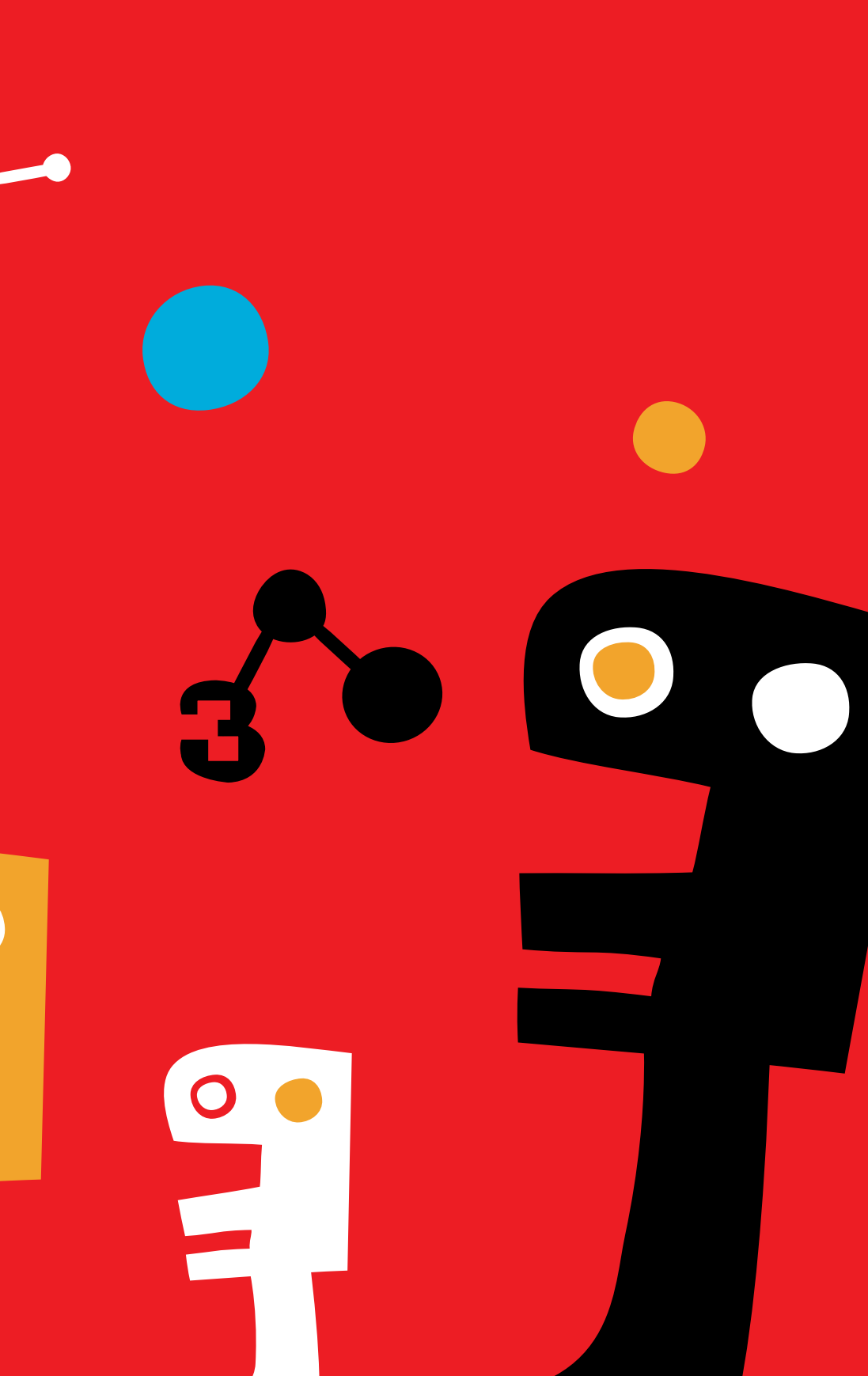
In 2011, the challenges are bigger and more alluring. This is the International Year of Forests (IYF). This initiative, created by UNESCO, has been embraced by the Portuguese government through the Portuguese Committee for the Celebration of the International Year of Forests. Demonstrating our alignment with sustainable and government practices, Novabase aims to be an IYF partner and join the cause by planting trees to offset part of its carbon footprint.

In 2011, an audit of the Integrated Management System is already scheduled for June 2011, after which we plan to obtain certification in Environmental Management and Occupational Health and Safety Management standards.

Along with our internal projects, we are developing products and services that help our customers become more efficient in their processes and energy use, contributing towards achieving their sustainability targets.

With our new vision, we have gained a new ambition and a very clear mission to make life simpler and happier for people; this is why we are committed to causes that are sustainable and responsible.





8

Governo da Sociedade

Corporate Governance

A Novabase, Sociedade Gestora de Participações Sociais, S.A. (adiante designada por NOVABASE ou Empresa) optou por divulgar em separado, um Anexo a este Relatório anual de gestão, relativo ao Governo da Sociedade, em conformidade com o artigo 245.º - A do Código dos Valores Mobiliários e de harmonia com o disposto no Regulamento da CMVM N.º 01/2010 sobre o Governo das Sociedades Cotadas, seguindo, na sua estrutura, o esquema preconizado no Anexo I ao Regulamento CMVM anteriormente citado.

Nesse relatório a Novabase indica quais as recomendações adoptadas e não adoptadas constantes do Código de Governo das Sociedades da CMVM 2010 (Recomendações) publicado em Janeiro de 2010 (“Código de Governo das Sociedades”).

Este anexo, contém informação que respeita as exigências do artigo 7º do Código dos Valores Mobiliários, bem como remissões para outros anexos.

Novabase has chosen to attach a separate annex to the 2010 Annual Report and Accounts, devoted entirely to the management of the listed company, as required by Article 245 A of the Securities Code, and CMVM Regulation No. 01/2010 on the Governance of Listed Companies.

Moreover, in this report, Novabase gauges its degree of compliance with recommendations in the CMVM 2010 Corporate Governance Code (“Recommendations”), published in January 2010 (“Corporate Governance Code”).

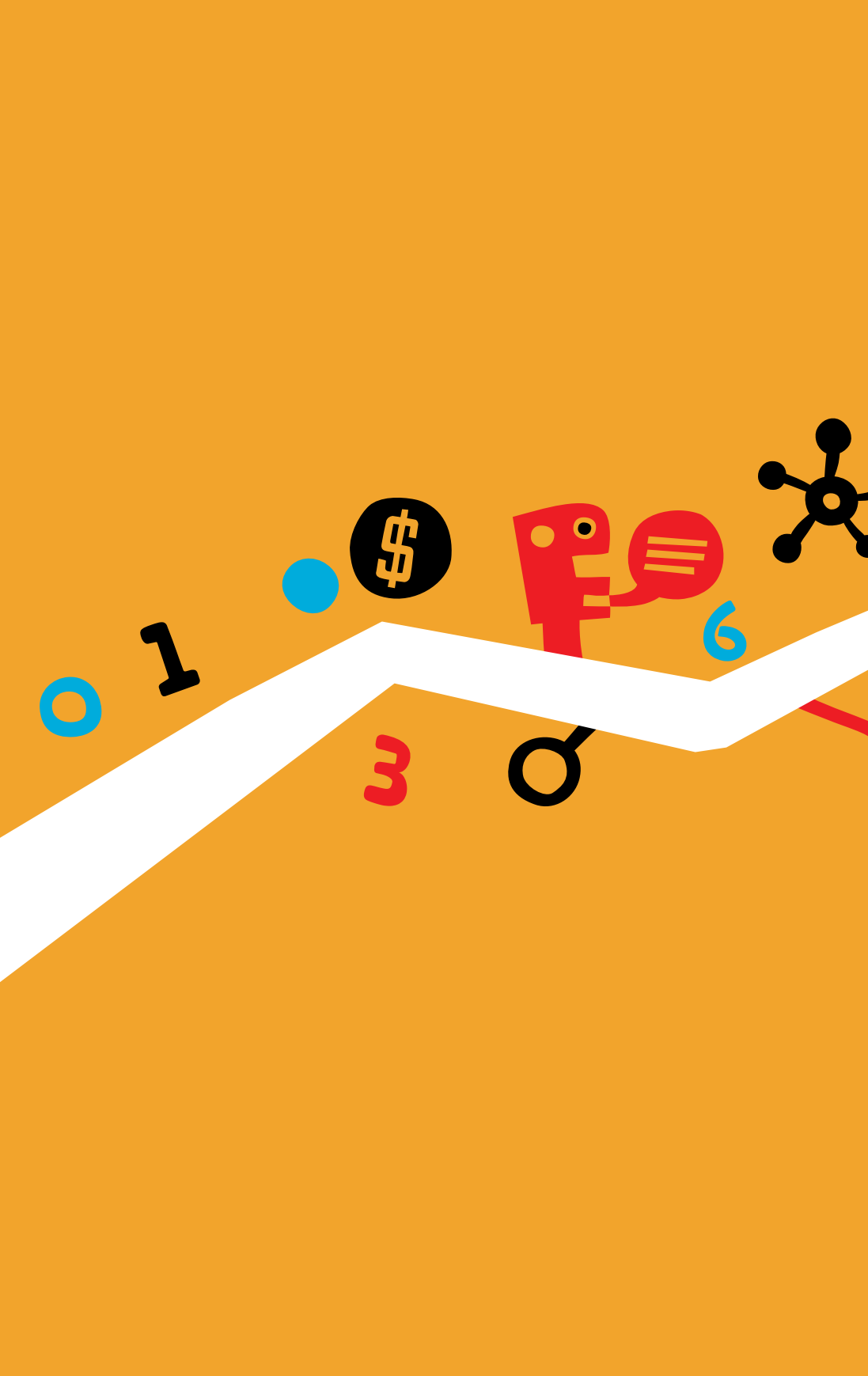
This annex, which is an integral part of the company's annual report, contains information complying with the requirements of Article 7 of the Securities Code and references to other annexes.

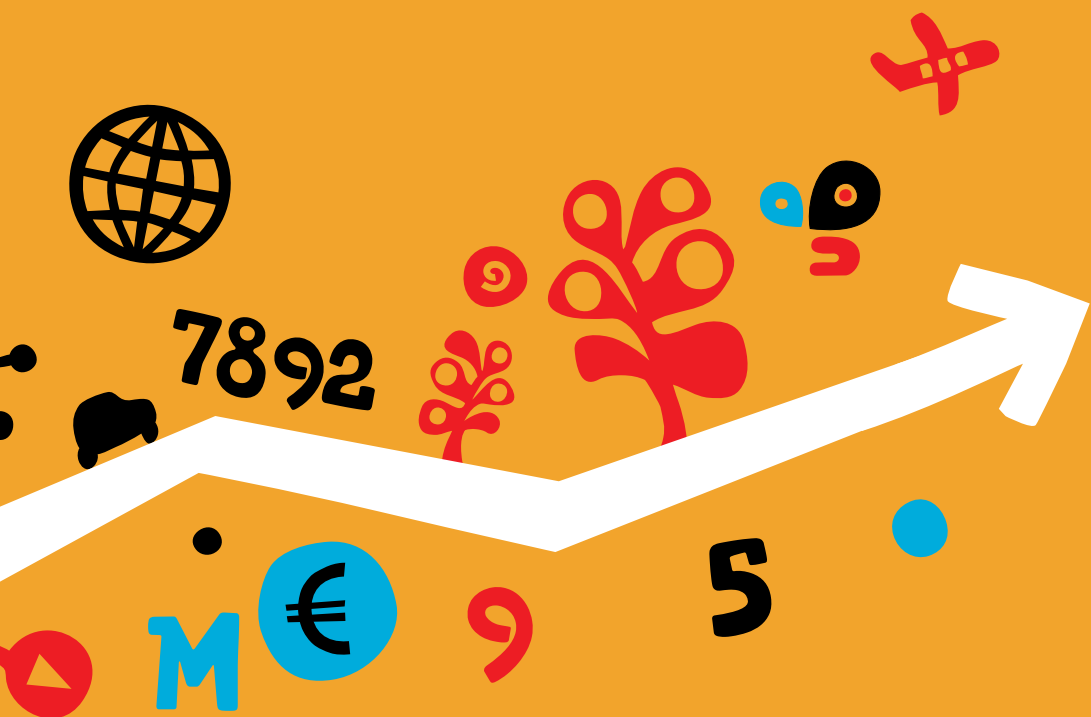
A Novabase é uma empresa cotada desde Julho de 2000, que funciona de acordo com um modelo de governo, em permanente evolução, cujo objectivo é o de procurar contribuir para a optimização do seu desempenho e favorecer todos os *stakeholders* - entidades cujos interesses estão envolvidos na actividade societária, nomeadamente os Accionistas e investidores, os clientes e parceiros, e os colaboradores.

Face à evolução das boas práticas do Governo das Sociedades em conformidade com as regras e recomendações emitidas pela CMVM e tendo em conta a experiência da Novabase desde a sua admissão à negociação no Mercado Regulamentado da Euronext Lisbon, foi aprovada pelos Accionistas, na Assembleia Geral de 12 de Abril de 2007, a adopção do modelo de governo anglo-saxónico que integra o Conselho de Administração, o qual compreende uma Comissão de Auditoria e um revisor oficial de contas (ROC). Por outro lado, na sequência da Assembleia Geral de 28 de Abril de 2009, foram constituídas no seio do Conselho de Administração duas comissões especializadas: uma Comissão de Avaliação da Actividade do Conselho de Administração e uma Comissão de Avaliação do Governo Societário. A Novabase analisa de forma contínua a implementação deste modelo por formar a conseguir aperfeiçoar a evolução das suas práticas de governo.

Novabase has been a publicly-traded company since July 2000. It operates according to a constantly-evolving corporate governance model, aimed at optimizing its performance and benefiting all of its stakeholders – those interested in its corporate activities, namely shareholders, investors, customers, partners and employees.

In light of trends in best corporate governance practices in accordance with rules and recommendations issued by the CMVM, and taking into account Novabase's experiences since its admission to trading on the Euronext Lisbon regulated market, shareholders at the General Meeting of Shareholders of 12 April 2007 approved an Anglo-Saxon corporate governance model that includes a Board of Directors with an Auditing Committee and a statutory auditor. Moreover, following the General Meeting of Shareholders of 28 April 2009, two specialized committees were established within the Board of Directors: a Board of Directors Performance Assessment Committee and a Corporate Governance Assessment Committee. In order to improve its governance practices, Novabase constantly analyses the implementation of this model.





9

Desempenho Financeiro e Bolsista

Financial and Stock Performance

EVOLUÇÃO DOS INDICADORES CHAVE

O volume de negócios e o EBITDA apresentados consideram o negócio da TV na Alemanha apenas nos nove primeiros meses de 2008 (último período dentro do perímetro de consolidação).

VOLUME DE NEGÓCIOS

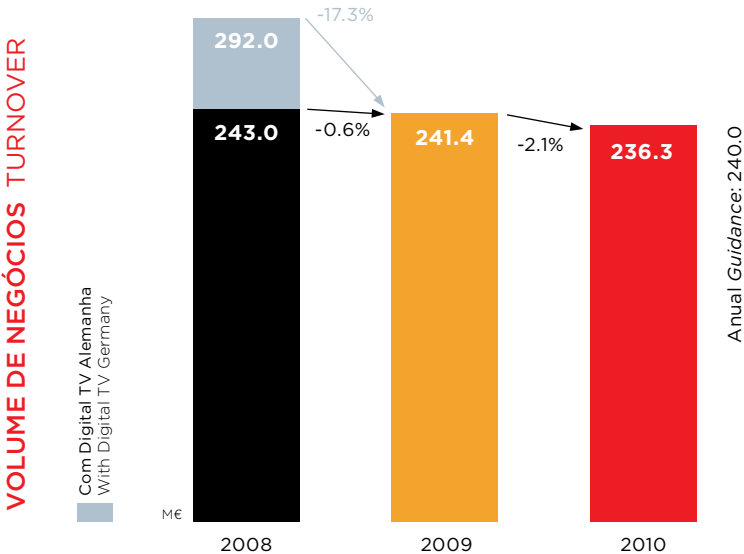
O volume de negócios da Novabase, em 2010, atingiu os 236,3 M€ (milhões de euros), valor que corresponde a um decréscimo de 2,1% face aos 241,4 M€ registados em 2009.

CHANGES IN KEY INDICATORS

The turnover and EBITDA shown only include the TV business in Germany in the first nine months of 2008 (last period in consolidation perimeter).

TURNOVER

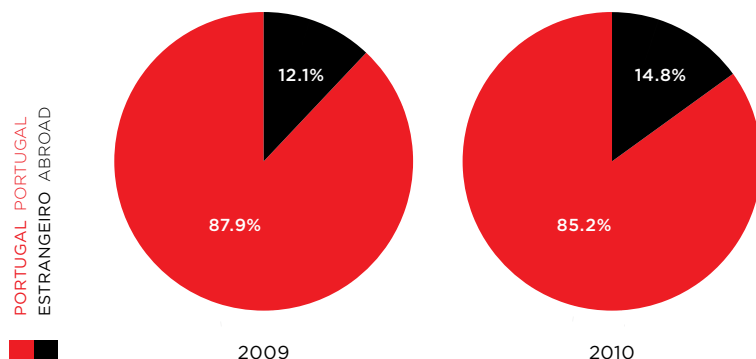
Novabase's turnover in 2010 was €236.3 million, a decrease of 2.1% compared to €241.4 million in 2009.



Do volume de negócios total gerado em 2010, a prestação de serviços representa 56,0%, o que compara com 51,3% em 2009. Este crescimento de 6,9% nos serviços está em linha com o foco estratégico da Novabase de conferir maior valor acrescentado às suas ofertas.

Of the total turnover generated in 2010, services accounted for 56.0%, compared to 51.3% in 2009. This 6.9% growth in services is in line with Novabase's strategic focus of adding more value to its offerings.

VOLUME DE NEGÓCIOS POR GEOGRAFIA TURNOVER BY GEOGRAPHY



O negócio internacional cresceu 20,1% em 2010. Do volume de negócios total, 14,8% são gerados fora de Portugal, ou seja, 34,9 M€, que compararam com 29,1 M€ registados em 2009.

O negócio fora de Portugal gerado na Novabase Consulting representa 15,7% da respectiva facturação. Na Novabase IMS, as vendas internacionais representam 15,2% da respectiva facturação. A Novabase Digital TV aumentou o peso relativo da componente internacional, a qual representa 8,9% da respectiva facturação (que compara com 7,7% em 2009).

International business grew 20.1% in 2010. 14.8% of Novabase's total turnover, €34.9 million, originated from outside Portugal, compared to €29.1 million in 2009.

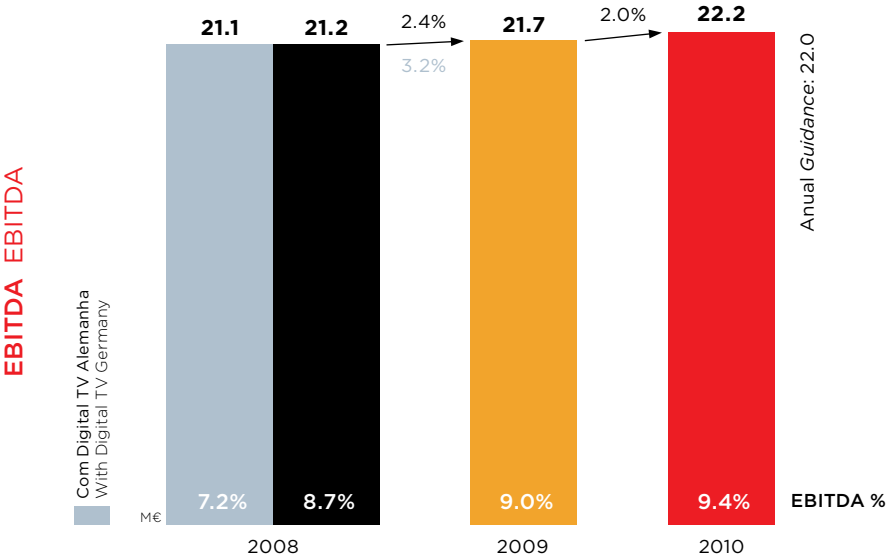
Novabase Consulting business originating from outside of Portugal accounts for 15.7% of its sales. At Novabase IMS, international sales account for 15.2% of its sales. Novabase Digital TV has increased the relative weight of its international business, which represents 8.9% of its sales (compared to 7.7% in 2009).

EBITDA

O EBITDA atingiu recorde em 2010, no valor de 22,2 M€, o que representa um incremento de 2,0% face aos 21,7 M€ obtidos em 2009, e está em linha com o *Guidance* anual de 21-23 M€ e 9,2% relativa: 0,8% acima do meio do intervalo (+0,2 pontos %).

EBITDA

The EBITDA reached a record in 2010 of €22.2 million, an increase of 2.0% compared to €21.7 million in 2009 and in line with the annual guidance of €21-23 million and 9.2% (relative): 0.8% above the middle of the range (+0.2 percentage points).



A margem EBITDA cifrou-se em 9,4%, acima dos 9,0% de margem obtida em 2009.

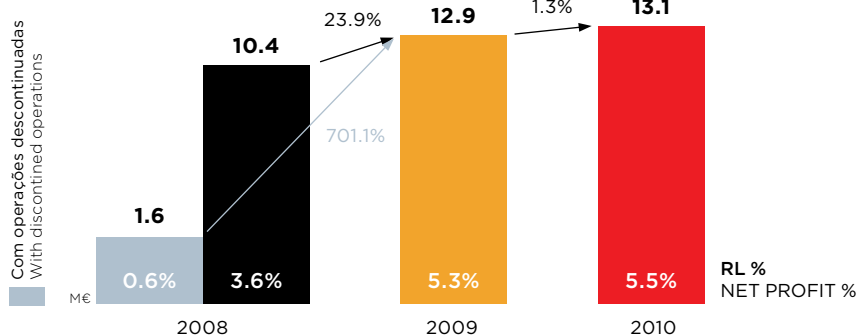
The EBITDA margin was 9.4%, above the 9.0% margin obtained in 2009.

RESULTADOS

Os Resultados Líquidos Consolidados, depois dos interesses que não controlam e dos resultados das operações descontinuadas, atingiram o valor recorde de 13,1 M€, tendo aumentado 1,3% face ao valor de 12,9 M€ registado em 2009.

RESULTS

Consolidated Net Profit, after non-controlling interests and earnings from discontinued operations, hit a record of €13.1 million, up 1.3% compared to €12.9 million in 2009.

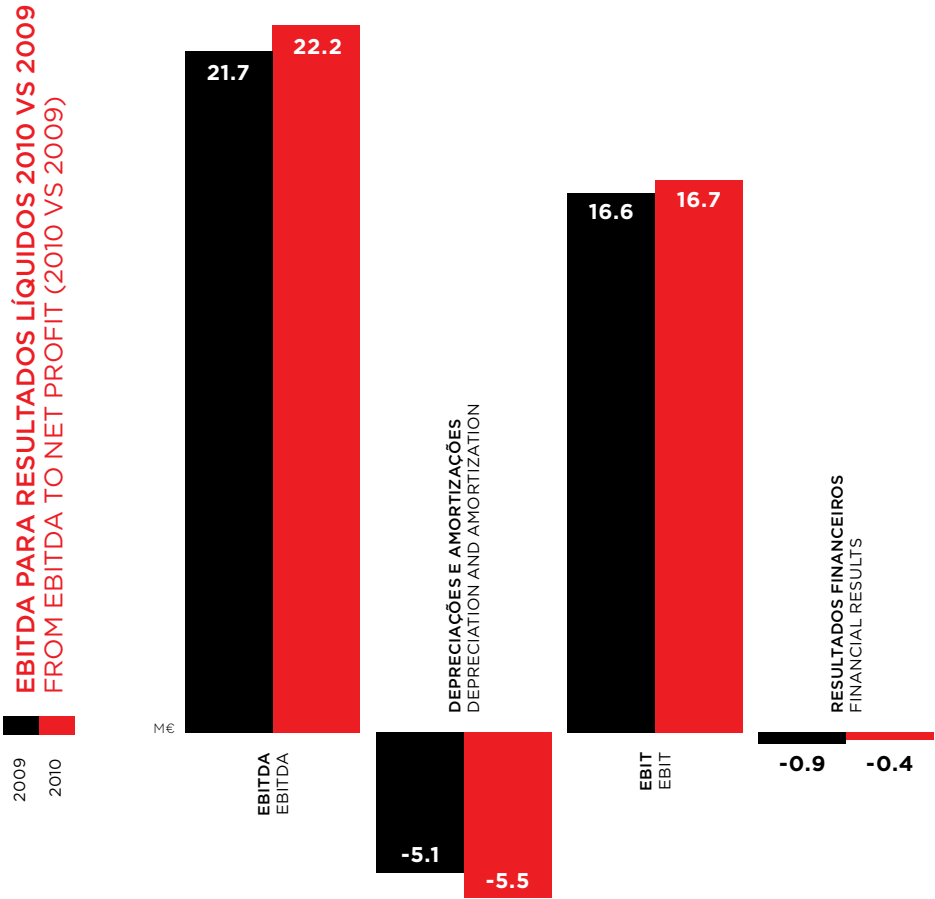
RESULTADOS LÍQUIDOS CONSOLIDADOS
CONSOLIDATED NET PROFIT


Os Lucros por Acção, em 2010, atingiram 0,43 euros por acção, em linha com o valor registado em 2009.

Earnings per Share were €0.43 in 2010, in line with 2009.

A evolução comparativa do EBITDA para os Resultados Líquidos é a seguinte:

Trends in EBITDA to net profit were as follows:



As Amortizações atingiram -5,5 M€, acima do valor registado em 2009 (-5,1 M€).

Os Resultados Operacionais (EBIT) atingiram os 16,7 M€, o que reflecte um incremento de 0,4% face a 2009 (16,6 M€).

Os Resultados Financeiros atingiram o valor líquido negativo de 0,4 M€, acima do valor líquido negativo de 0,9 M€ registado no período

Amortization was -€5.5 million, up from 2009 (-€5.1 million).

The Operating Results (EBIT) were €16.7 million, reflecting an increase of 0.4% compared to 2009 (€16.6 million).

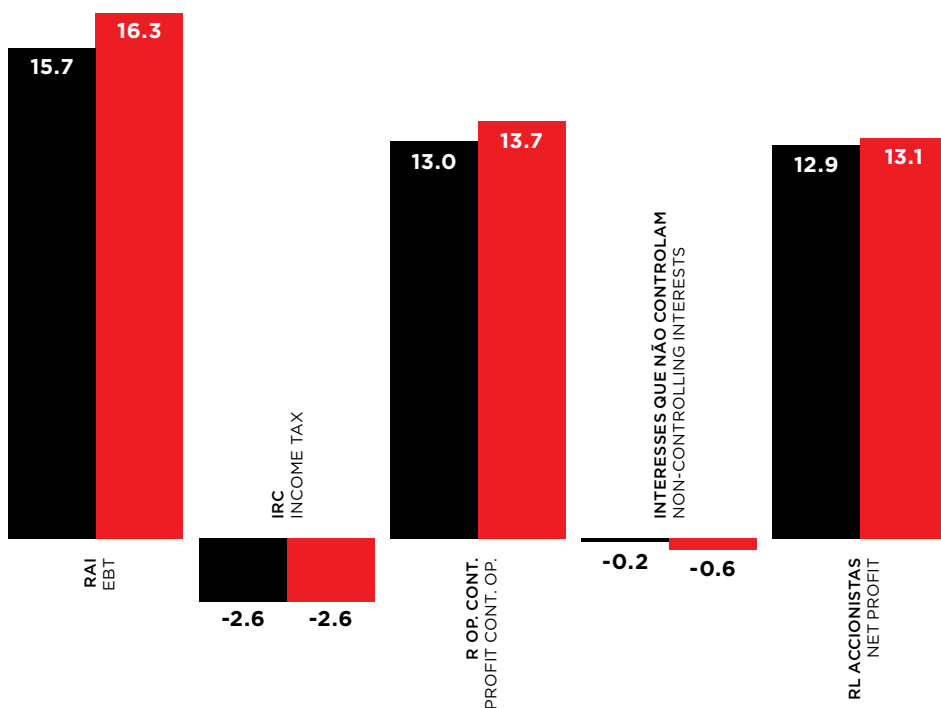
The Financial Results were minus €0.4 million net, above the minus €0.9 million net in the previous year;

homólogo, tendo sido reconhecidos em 2010 ganhos cambiais no valor de 0,8 M€ (que comparam com 0,3 M€ em 2009).

Os Resultados Antes de Impostos (RAI) são neste período de 16,3 M€, registando um crescimento de 4,1% versus os 15,7 M€ registados em 2009.

2010 saw exchange rate gains of €0.8 million (compared to €0.3 million in 2009).

Earnings Before Taxes (EBT) in 2010 were €16.3 million, which reflects an increase of 4.1% compared to €15.7 million in 2009.



O Imposto corrente ascendeu a -3,9 M€ enquanto o Imposto diferido activo ascendeu a 1,3 M€, pelo que o IRC (imposto sobre o rendimento) de 2010 se fixou em -2,6 M€.

Os Interesses que não controlam, em 2010, atingiram -0,6 M€, que comparam com -0,2 M€ em 2009. Esta evolução deve-se à melhoria dos resultados das participadas Collab e Celfocus comparativamente ao período homólogo.

Current taxes reached -€3.9 million, while active deferred taxes resulted in €1.3 million for a 2010 corporate income tax (IRC) of -€2.6 million.

Non-controlling interests were -€0.6 million in 2010, compared to -€0.2 million in 2009. This change is due to the improved financial results of the subsidiaries Collab and Celfocus compared to the previous year.

CASH

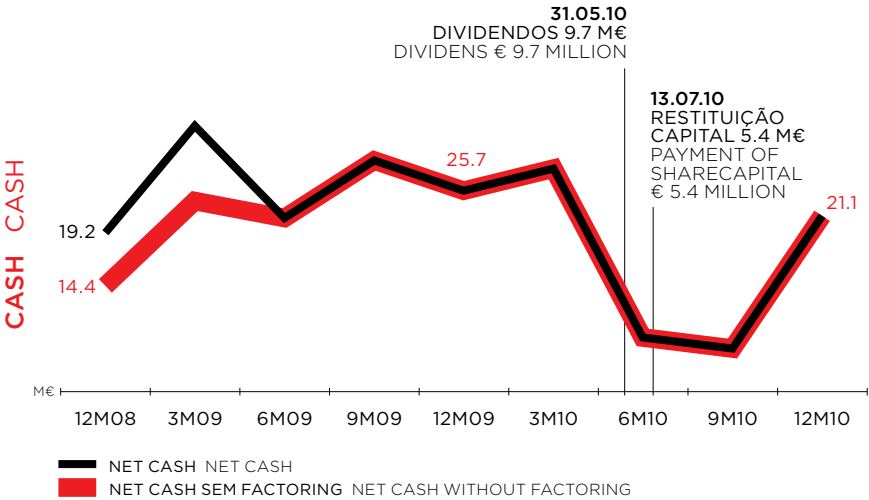
Em 2010, a Novabase apresenta um desempenho positivo a nível da geração de *cash*, sem recurso ao *factoring* desde o primeiro semestre de 2009. A Novabase terminou o ano de 2010 com 21,1 M€ em *net cash*, que compara com 25,7 M€ em 2009.

Retirando o efeito do pagamento de dividendos e restituição de capital, a Novabase teria terminado o ano de 2010 com 36,2 M€ em *net cash*, o que representa uma geração de *cash* de 10,5 M€ no ano.

CASH

In 2010, Novabase had positive performance in terms of cash generation, without the use of factoring since the first half of 2009. Novabase ended 2010 with €21.1 million in net cash compared to €25.7 million in 2009.

Without the effects of dividend payments and capital reimbursements, Novabase would have ended 2010 with €36.2 million in net cash, representing cash generation of €10.5 million for the year.



INVESTIMENTO

O valor do investimento recorrente consolidado ascendeu, em 2010, a 3,4 M€. Este valor, que corresponde a saída de *cash* do Balanço, decompõe-se em duas parcelas, uma primeira parcela relativa a imobilizado em curso no valor de 1,8 M€ referente ao desenvolvimento de projectos ainda em curso e uma segunda parcela, no valor de 1,6 M€, relativa a imobilizado corpóreo diverso, como equipamento e software informático e mobiliário.

CAPITAL EXPENDITURE

Consolidated recurring investment reached €3.4 million in 2010. This amount, which corresponds to a cash write-off, is divided into two parts: one pertaining to work in progress in the amount of €1.8 million related to the development of projects that are still under construction, and another €1.6 million related to miscellaneous tangible fixed assets, such as IT equipment and software, and furnishings.

O investimento não recorrente é de 0,7 M€, correspondendo, por um lado, a aquisições de imobilizado com carácter não regular, no montante de 4,1 M€ (correspondem a uma saída de *cash*), e por outro lado, a desinvestimentos, que incluem abates, transferências e reclassificações, no montante de -3,4 M€ (*non-cash items*).

Non-recurring investment was €0.7 million, comprised of extraordinary fixed asset acquisitions of €4.1 million (corresponding to cash write-offs) and disinvestments of -€3.4 million, including write-offs, transfers and reclassifications (non-cash items).

INVESTIMENTO CAPITAL EXPENDITURE	NÃO RECORRENTE NON-RECURRING	RECORRENTE RECURRING	TOTAL
IMOBILIZADO EM CURSO WORK IN PROGRESS			
Imobilizado em Curso Work in Progress		1.8	1.8
Transferência p/ Imob. Firme Transfer to Tangible Assets	-0.8		-0.8
Sub-Total (1)	-0.8	1.8	1.0
ACTIVOS INTANGÍVEIS INTANGIBLE ASSETS			
I&D R&D	-1.0		-1.0
Propriedade Industrial e Outros Direitos Industrial Property and Other Rights	2.7		2.7
Sub-Total (2)	1.7	0.0	1.7
ACTIVOS FIXOS TANGÍVEIS TANGIBLE ASSETS			
Eq. Transporte / Leasing / AOV Transport Equipment / Leasing / OR	-0.3		-0.3
Outros Activos Tangíveis Other Tangible Assets	0.1	1.6	1.7
Sub-Total (3)	-0.2	1.6	1.4
Total	0.7	3.4	4.1

RECURSOS HUMANOS

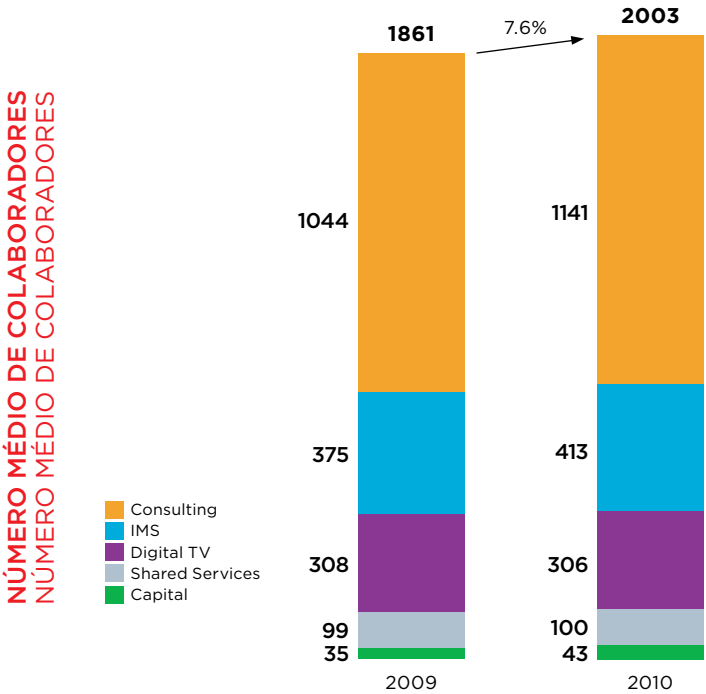
Em termos de Recursos Humanos, a Novabase teve em média, em 2010, 2.003 colaboradores, o que representa um acréscimo de 7,6% face a 2009 (1.861).

A distribuição de colaboradores pelas várias áreas da Novabase é a que se mostra na figura seguinte:

HUMAN RESOURCES

In terms of human resources, Novabase had an average of 2,003 employees in 2010, an increase of 7.6% compared to 1,861 in 2009.

The following table shows the breakdown of employees among Novabase's various business areas:



RESUMO DA ACTIVIDADE

O ano de 2010 mostra um desempenho positivo dado o contexto económico actual. De destacar, a abertura da Novabase Digital TV EURL, em França, uma empresa dedicada à Investigação e Desenvolvimento (I&D) de tecnologias para a área de Digital TV, e da NBASIT, em Angola, que vão permitir à Novabase reforçar as suas competências e expandir o seu negócio em termos internacionais.

BUSINESS SUMMARY

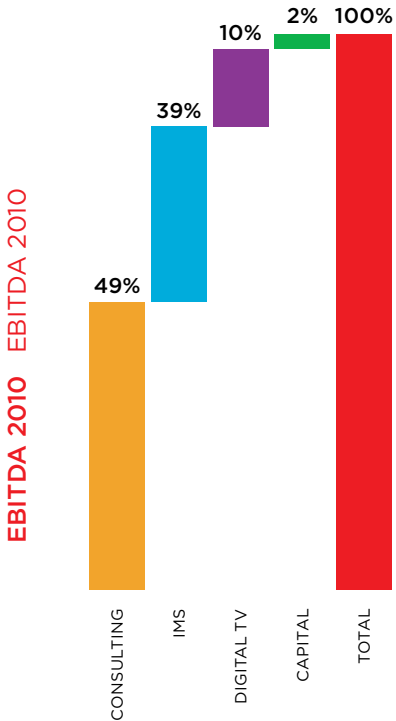
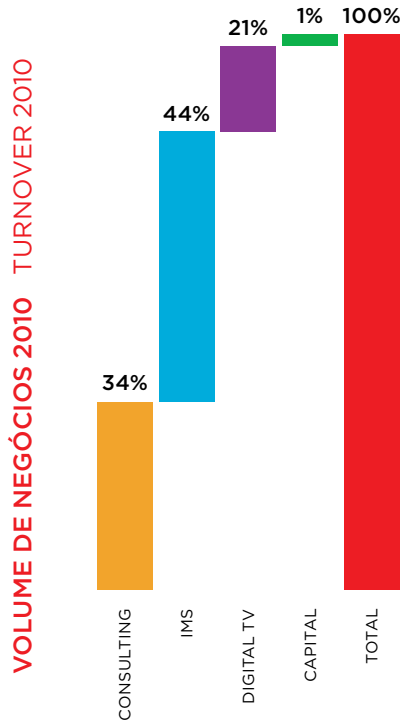
2010 saw positive performance given the current economic backdrop. Of particular note was the opening of Novabase Digital TV EURL, in France, a company dedicated to technology research and development (R&D) for digital TV, and of NBASIT, in Angola, which will allow Novabase to reinforce its expertise and expand its business internationally.

Também em 2010, a Novabase reforçou a área de energia através da aquisição de activos da Iberwind. Este investimento insere-se na estratégia definida pela Novabase de reforçar a presença nos sistemas core dos seus clientes. O ano de 2010 ficou ainda assinalado como o ano de renovação da visão e da imagem. Passados 20 anos, a nova visão está em sintonia com a internacionalização da empresa e prende-se com a necessidade de simplificar a tecnologia, para que esta esteja mais acessível aos clientes. A Novabase relançou a sua marca com uma nova identidade, que envolve uma linguagem mais visual, reflectindo também a maior focalização nos aspectos emotivos e no design.

A decomposição percentual do volume de negócios e do EBITDA pelos diferentes negócios, em 2010, é a seguinte:

Also in 2010, Novabase reinforced its energy area through the acquisition of assets from Iberwind. This investment is part of Novabase's strategy of greater involvement in its customers' core systems. 2010 was also noteworthy as the year of a renewed vision and image. After 20 years, the new vision is in harmony with the company's internationalization, and revolves around the need to simplify technology and make it more accessible to customers. Novabase re-launched its brand with a new identity involving a more visual language, and reflecting a greater focus on emotional aspects and design.

The percent breakdown of turnover and EBITDA, by business area, was as follows in 2010:



NOVABASE CONSULTING

A Novabase Consulting apresentou em 2010 uma equipa de 1.141 consultores e contribuiu com 34% do volume de negócios total da Novabase e com 49% do EBITDA total gerado em 2010.

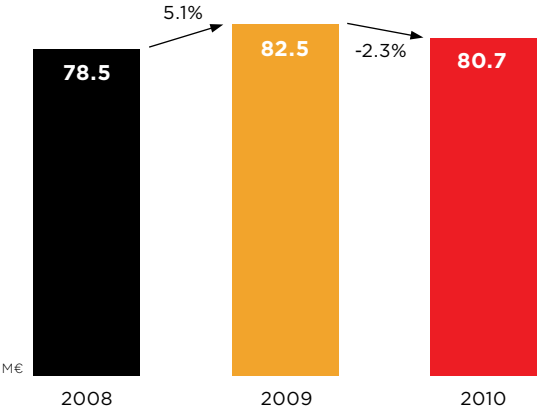
O volume de negócios global desta área atingiu 80,7 M€, o que representa um decréscimo de 2,3% face ao valor de 2009.

NOVABASE CONSULTING

In 2010, Novabase Consulting had a team of 1,141 consultants, and generated 34% of Novabase's total turnover and 49% of the total EBITDA.

This business area's total turnover was €80.7 million, a decrease of 2.3% compared to 2009.

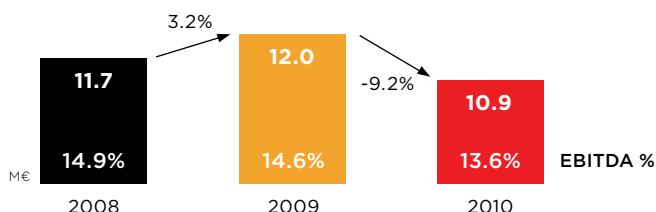
VOLUME DE NEGÓCIOS NOVABASE CONSULTING
TURNOVER NOVABASE CONSULTING



O EBITDA da Novabase Consulting em 2010 diminuiu 9,2% em termos homólogos (de 12,0 M€ para 10,9 M€), fixando-se a margem EBITDA nos 13,6% (o que compara com 14,6% em 2009). A evolução do EBITDA % reflecte a redução da taxa média de alocação dos recursos e pressão conjuntural nos preços. No entanto, a rentabilidade operacional desta área continua acima da dos comparáveis do sector a nível internacional.

Novabase Consulting's EBITDA fell 9.2% in 2010 in equivalent terms (from €12.0 million to €10.9 million), with an EBITDA margin of 13.6% (compared to 14.6% in 2009). The percent change in EBITDA reflects the lower average allocation of resources and external price pressure. However, this area's operating profitability continues to out-perform the sector at an international level.

EBITDA NOVABASE CONSULTING EBITDA NOVABASE CONSULTING



NOVABASE IMS

Em 2010, a Novabase IMS dispôs de uma força laboral de 413 colaboradores e contribuiu com 44% do volume de negócios e com 39% do EBITDA total gerado pela Novabase.

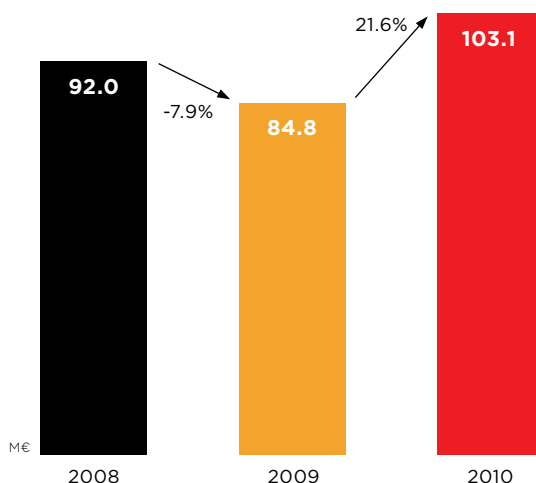
O volume de negócios global desta área de negócios atingiu 103,1 M€, o que representa um crescimento de 21,6% face ao valor de 2009.

NOVABASE IMS

Novabase IMS had a workforce of 413 employees in 2010, and generated 44% of Novabase's turnover and 39% of the total EBITDA.

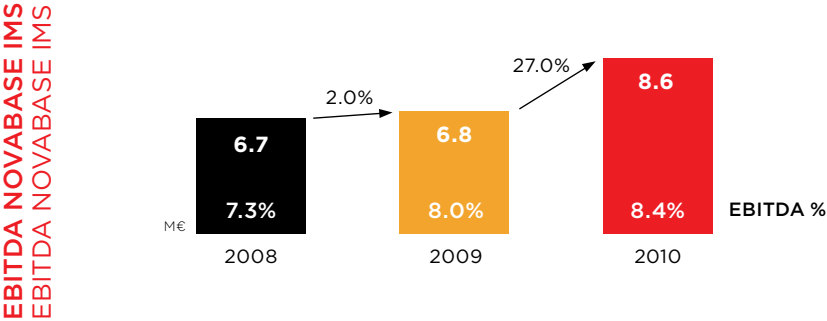
This business area's total turnover reached €103.1 million, an increase of 21.6% compared to 2009.

VOLUME DE NEGÓCIOS NOVABASE IMS TURNOVER NOVABASE IMS



O EBITDA da Novabase IMS em 2010 aumentou 27,0% em termos homólogos (de 6,8 M€ para 8,6 M€), fixando-se a margem EBITDA nos 8,4% (que compara com 8,0% em 2009). A evolução dos resultados da IMS resulta de uma estratégia de concentração nos projectos com maior complexidade tecnológica e maior valor acrescentado.

Novabase IMS's EBITDA rose 27.0% in 2010 in equivalent terms (from €6.8 million to €8.6 million), with an EBITDA margin of 8.4% (compared to 8.0% in 2009). The progress of IMS' results originates from a strategy of concentrating on more technically complex projects with greater added value.



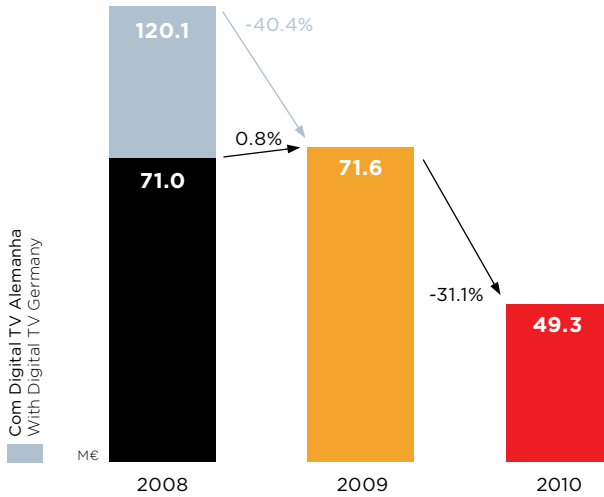
NOVABASE DIGITAL TV

A Novabase Digital TV dispôs de uma massa crítica de 306 colaboradores e contribuiu com 21% do volume de negócios e 10% do EBITDA da Novabase gerados em 2010. O volume de negócios global desta área atingiu 49,3 M€, o que representa um decréscimo de 31,1% face ao valor de 2009. Esta evolução do volume de negócios da Digital TV está em linha com o posicionamento da Novabase, dada a maturidade da oferta standard.

NOVABASE DIGITAL TV

Novabase Digital TV had a critical mass of 306 employees, generating 21% of Novabase's turnover and 10% of its EBITDA in 2010. This business area's total turnover was €49.3 million, a decrease of 31.1% compared to 2009. This change in Digital TV's turnover is in line with Novabase's positioning, given the maturity of standard offerings.

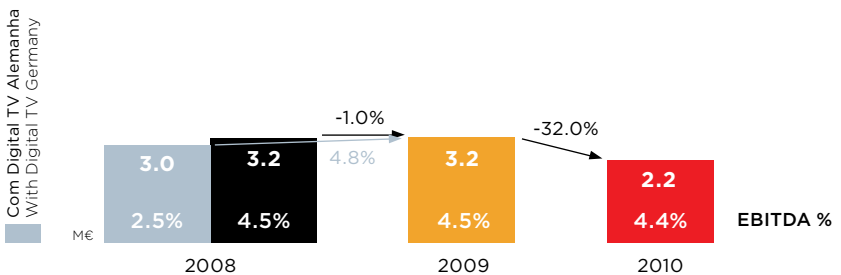
VOLUME DE NEGÓCIOS NOVABASE DIGITAL TV TURNOVER NOVABASE DIGITAL TV



O EBITDA da Novabase Digital TV em 2010 diminuiu 32,0% em termos homólogos (de 3,2 M€ para 2,2 M€), fixando-se a margem EBITDA nos 4,4% (o que compara com 4,5% em 2009). A evolução do EBITDA da Digital TV deve-se fundamentalmente à fase de desenvolvimento de novas tecnologias para o negócio internacional dos *Chip-on-board* / *System-in-package*.

Novabase Digital TV's EBITDA fell 32.0% in 2010 in equivalent terms (from €3.2 million to €2.2 million), with an EBITDA margin of 4.4% (compared to 4.5% in 2009). The change in Digital TV's EBITDA is essentially due to the new technology development phase for the international chip-on-board/ system-in-package business.

EBITDA NOVABASE DIGITAL TV EBITDA NOVABASE DIGITAL TV



NOVABASE CAPITAL

A Novabase Capital dispôs de uma massa crítica de 43 colaboradores e contribuiu com 1% do volume de negócios e 2% do EBITDA gerados em 2010 da Novabase.

O volume de negócios global desta área atingiu 3,3 M€, o que representa um crescimento de 29,8% face ao valor de 2009.

O EBITDA da Novabase Capital em 2010 aumentou 231,6% em termos homólogos (de -0,3 M€ para 0,4 M€), fixando-se a margem EBITDA nos 12,5%. Estes resultados da Novabase Capital reflectem fundamentalmente a melhoria de performance da participada Collab.

NOVABASE CAPITAL

Novabase Capital had a critical mass of 43 employees, generating 1% of Novabase's turnover and 2% of its EBITDA in 2010.

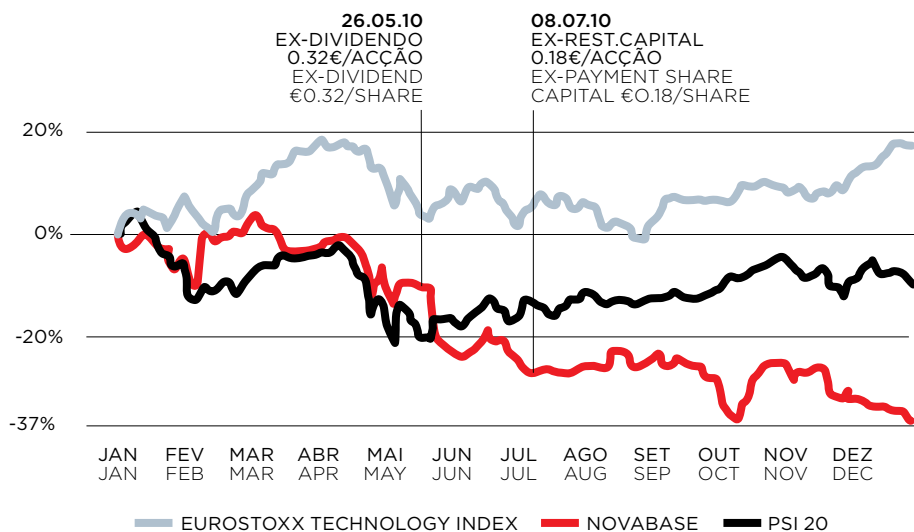
This business area's total turnover reached €3.3 million, an increase of 29.8% compared to 2009. Novabase Capital's EBITDA rose 231.6% in 2010 in equivalent terms (from -€0.3 million to €0.4 million), with an EBITDA margin of 12.5%. Novabase Capital's results essentially reflect the improved performance of the subsidiary Collab.

COMPORTAMENTO BOLSISTA

A cotação da acção Novabase em 2010 desvalorizou-se 34,7%, o que compara com uma depreciação de 10,3% ocorrida no índice PSI20 e por uma valorização do índice EuroStoxx Technology de 16,9%. Em 2010, a rotação representou 22,5% do capital da Novabase, tendo sido transaccionadas 7,1 milhões de acções, valores inferiores aos ocorridos em 2009 (rotação de 27,0% do capital, tendo sido transaccionados 8,5 milhões de acções).

STOCK PERFORMANCE

Novabase's share price fell 34.7% in 2010, compared to a 10.3% drop in the PSI20 and gains of 16.9% in the EuroStoxx Technology Index. Share turnover accounted for 22.5% of Novabase's capital in 2010, with 7.1 million shares traded, less than in 2009 (turnover of 27.0% of capital, with 8.5 million shares traded).

NOVABASE E O MERCADO NOVABASE AND THE MARKET

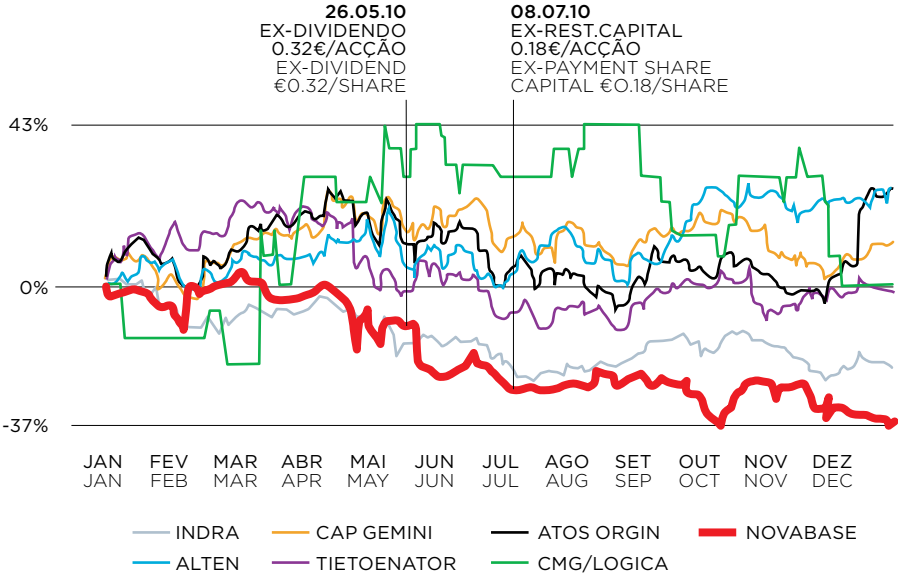
Em 2010, foi distribuído um dividendo de 0,32€/acção e ocorreu o pagamento relativo à redução de capital de 0,18€/acção.

A dividend of €0.32/share was distributed in 2010, with a payment of €0.18/share for the share capital decrease.

Ao comparar a cotação da Novabase com um conjunto de outras empresas similares do sector de TI na Europa, observamos que a performance da acção Novabase em 2010 foi inferior relativamente à performance das outras acções.

In comparing Novabase's share price with other similar companies from Europe's IT sector, one can see that the Novabase share's performance in 2010 was lower than that of other shares.

NOVABASE E OUTRAS TMT NOVABASE AND OTHER TMT



O *price target* médio referenciado pelos analistas que cobrem a Novabase é de 4,83 euros (*upside* médio de 66,7%), com recomendação unânime de compra.

A cotação média, ponderada pela quantidade, do título Novabase em 2010 cifrou-se em 3,71 euros por acção. Foram transaccionadas 7,1 milhões de acções em todas as 258 sessões de bolsa de 2010, correspondentes a um valor de transacção de 26,2 M€.

O número médio diário de acções transaccionadas em 2010 fixou-se em 27,4 mil títulos, correspondente a um valor médio diário de cerca de 0,1 M€.

A cotação no último dia de bolsa de 2010, 31 de Dezembro de 2010, fixou-se nos 2,90 euros, o que representa uma desvalorização de 34,7% face aos 4,44 euros com que a Novabase se fixou no final de 2009.

A cotação de fecho máxima ocorrida em 2010 atingiu os 4,63 euros, enquanto o valor mínimo de fecho registado fixou-se nos 2,79 euros. A capitalização bolsista no final de 2010 fixou-se em 91,1 M€.

The average target price from analysts covering Novabase is €4.83 (average upside of 66.7%), with a unanimous recommendation to buy.

The average Novabase share price weighted by quantity in 2010 was €3.71 per share. 7.1 million shares were traded in all 258 stock exchange sessions in 2010, corresponding to a trading value of €26.2 million.

The daily average number of shares traded in 2010 was 27.4 thousand shares, corresponding to a daily average value of about €0.1 million. The share price on the last day of trading of 2010, 31 December 2010, was €2.90, which represents a loss of 34.7% compared to the €4.44 that Novabase shares registered at the end of 2009.

The maximum closing price achieved in 2010 was €4.63, while the minimum closing price recorded was €2.79. Market capitalization at the end of 2010 was €91.1 million.

RESUMO
SUMMARY

Cotação Mínima (€)
Minimum Price (€)

Cotação Máxima (€)
Maximum Price (€)

Cotação Média Ponderada (€)
Average Weighted Price (€)

Cotação no Último Dia (€)
Last Tradable Day Price (€)

Nº Títulos Transaccionados (milhões)
Number of Shares Traded (millions)

Capitalização Bolsista no Último Dia (M€)
Market Capitalization on Last Day (€ Million)

RISCOS

As actividades do Grupo Novabase expõem-na a uma variedade de riscos financeiros. A imprevisibilidade dos mercados financeiros é analisada continuamente em consonância com a política de gestão de riscos do Grupo, de forma a minimizar potenciais efeitos adversos no seu desempenho financeiro.

RISKS

The Group's activities expose it to a variety of financial risks, including the effects of variations in market prices of debt and equity, exchange rates and interest rates. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

	2010	2009	2008	2007	2006
	2.79	3.27	2.10	3.27	5.22
	4.63	5.05	5.07	5.91	7.27
	3.71	4.39	3.87	5.17	5.91
	2.90	4.44	4.59	3.27	5.50
	7.1	8.5	21.0	20.2	20.6
	91.1	139.4	144.1	102.7	172.7

Os objectivos e as políticas da Novabase em matéria de gestão dos riscos financeiros, e nomeadamente a exposição aos riscos de preço, de crédito, de liquidez, de fluxos de caixa e de capital das várias empresas que integram o Grupo, encontram-se divulgados na nota 3 das Notas às Demonstrações Financeiras Consolidadas.

The objectives and policies of Novabase in the management of financial risks, namely in the exposure to price risk, credit risk, liquidity risk, cash flow risk and capital risk of the companies within the Group, are disclosed in note 3 of the Notes to the Consolidated Financial Statements.

PERSPECTIVAS 2011

Os resultados de 2010 são positivos, dado o contexto actual, estando em linha com o *Guidance* de volume de negócios (-1,5%) e de EBITDA (+0,8%).

Face a 2009, o volume de negócios diminuiu 2,1%, no entanto, o negócio internacional cresceu 20,1% e a prestação de serviços aumentou 6,9%. O EBITDA aumentou 2,0% e o resultado líquido atingiu os 13,1 M€.

Para 2011, o contexto macroeconómico em Portugal mantém-se difícil, condicionando o crescimento da economia. A Novabase pretende em 2011 reforçar e acelerar o seu crescimento internacional, mantendo a posição no cenário nacional.

Em termos de *Guidance*, a Novabase espera um volume de negócios de 245 M€ e um EBITDA entre os 20 M€ e os 22 M€, que incorpora os custos adicionais associados ao reforço da internacionalização.

EVENTOS SUBSEQUENTES

Em 2011, até à emissão do presente relatório, ocorreram os seguintes factos relevantes, cujos detalhes se encontram adequadamente divulgados, a título de divulgação de informação privilegiada, nos sites da Novabase, S.G.P.S. e CMVM:

Novabase informa sobre política de remuneração accionista

O Conselho de Administração divulgou a sua intenção de propor à Assembleia Geral anual de 2011

OUTLOOK FOR 2011

The 2010 results are positive, given the current context, and are in line with guidance for turnover (-1.5%) and EBITDA (+0.8%).

Turnover fell 2.1% compared to 2009; however, the international business grew 20.1% and services grew 6.9%. EBITDA increased 2.0% with a net profit of €13.1 million.

In 2011, macroeconomic conditions in Portugal continue to be difficult, affecting economic growth. In 2011, Novabase intends to reinforce and increase its international growth while maintaining its position on the domestic scene.

As regards guidance, Novabase expects turnover of €245 million and an EBITDA ranging from €20-22 million, which includes additional outlays to reinforce internationalization.

SUBSEQUENT EVENTS

The following relevant facts occurred in 2011 by the date of issue of this report, details of which have been adequately disclosed as privileged information, via the Novabase, S.G.P.S. and CMVM sites:

Novabase informs on shareholder remuneration policy

The Board of Directors announced its intention to propose to the annual General Meeting of 2011

a implementação de uma política de remuneração accionista com os seguintes termos e condições essenciais: (i) pagamento, em 2011, de um dividendo em dinheiro correspondente a 0,13 Euros por acção, que corresponde a um valor total de 4,1M€; e, (ii) a partir de 2011, pagamento anual de um dividendo num montante compreendido entre 30% e 40% do resultado líquido consolidado que for apurado em cada exercício social.

Novabase informa sobre decisão sobre Fundos de Capital de Risco

Tendo em conta o alargamento da sua actuação, a Novabase Capital viu aceites, pelas Comissões Directivas dos Programas COMPETE e POR Lisboa, as candidaturas a concursos do SAFPRI (Sistema de Apoio ao Financiamento e Partilha de Risco da Inovação), integrado no QREN e com co-financiamento da União Europeia via FEDER, para a constituição do Fundo de Capital de Risco Inovação e Internacionalização e do fundo Novabase Capital Early Stage. O fundo Novabase Capital Inovação e Internacionalização, com uma dotação máxima de 10,1M€ e comparticipada pelo Programa COMPETE em 5M€, privilegiará o investimento em PME's de base tecnológica na área das TIC nas regiões do Norte, Centro e Alentejo, e o fundo Novabase Capital Early Stage com uma dotação máxima de 1,26M€ e comparticipada pelo Programa POR Lisboa em 0,5M€, destinado à região de Lisboa.

the implementation of a shareholder remuneration policy with the following main terms and conditions:

(i) payment, in 2011, of a cash dividend of €0.13 per share, corresponding to a global amount of €4.1 million; and (ii) as from 2011 onwards, annual payment of a dividend in the amount corresponding to between 30% and 40% of the consolidated net profit of each financial year.

Novabase informs about decision on Venture Capital Funds

Taking into account the enlargement of its activities, Novabase Capital received approval from the Steering Committees of the COMPETE and POR Lisboa, for its applications for SAFPRI (Support System for the Financing and Risk Sharing of Innovation) under the NSRF, framework co-financed by the European Union via the ERDF, to create two venture capital funds, 'Novabase Capital Inovação e Internacionalização' and 'Novabase Capital Early Stage'. The 'Novabase Capital Inovação e Internacionalização' fund, with a maximum provision of €10.1 million, including a contribution from the COMPETE program of €5 million, will focus on investments in technology-based SMEs in the area of Information Technologies in the Northern, Central and Alentejo regions and the 'Novabase Capital Early Stage' fund, with a maximum provision of €1.26 million, including a contribution from the POR Lisboa program of €0.5 million, for the Lisbon region.







Proposta de Aplicação de Resultados

Proposal for the Allocation of Profits

No exercício de 2010, a Novabase SGPS, SA apresentou um resultado líquido consolidado de € 13.053.290,62 (treze milhões, cinquenta e três mil, duzentos e noventa euros e sessenta e dois cêntimos) e um resultado líquido de € 2.798.603,46 (dois milhões, setecentos e noventa e oito mil, seiscentos e três euros e quarenta e seis cêntimos) nas contas individuais.

No dia 8 de Fevereiro de 2011, o Conselho de Administração da Sociedade divulgou ao mercado a sua intenção de propor à Assembleia Geral anual de 2011 a distribuição aos accionistas de um montante global de 4,1 M€, dos quais 2,7 M€ correspondem a lucros do exercício e 1,4 M€ respeitam a valores constantes das rubricas de reservas livres e resultados acumulados, a distribuir mediante deliberação de aplicação de resultados. Esta distribuição traduzir-se-á num pagamento total aos accionistas de 0,13 euros por acção, sujeita a aprovação da Assembleia Geral.

In 2010, Novabase SGPS, SA had a consolidated net profit of €13,053,290.62 (thirteen million, fifty three thousand, two hundred and ninety euros and sixty two cents) and a net profit of €2,798,603.46 (two million, seven hundred and ninety eight thousand, six hundred and three euros and forty six cents) in the individual accounts.

On 8 February 2011, the company's Board of Directors publicly announced its intention to propose, at the 2011 General Meeting of Shareholders, the distribution to shareholders of a total of €4.1 million, of which €2.7 million corresponds to annual profits to be distributed by means of a resolution to allocate profits, and €1.4 million corresponds to the distribution of other reserves and retained earnings. This distribution will entail a total payment of €0.13 per share to shareholders, subject to approval by the General Meeting of Shareholders.

Nos termos das disposições legais e estatutárias, o Conselho de Administração propõe que os resultados líquidos a título individual sejam distribuídos da seguinte forma:

1. Dando cumprimento ao disposto na lei e nos Estatutos, um montante de € 139.930,17 (cento e trinta e nove mil, novecentos e trinta euros e dezassete cêntimos), correspondente a 5% do resultado líquido do exercício, se destine ao reforço da reserva legal;
2. Atendendo à afectação obrigatória do resultado líquido do exercício, acima mencionada, que seja pago aos accionistas o remanescente desse resultado, no montante de € 2.658.673,29 (dois milhões, seiscentos e cinquenta e oito mil, seiscentos e setenta e três euros e vinte e nove cêntimos), acrescido de € 1.423.507,93 (um milhão, quatrocentos e vinte e três mil, quinhentos e sete euros e noventa e três cêntimos) constantes das rubricas de reservas livres e resultados acumulados, num total de € 4.082.181,22 (quatro milhões, oitenta e dois mil, cento e oitenta e um euros e vinte e dois cêntimos), correspondendo a € 0,13 (treze cêntimos de euro) por acção, relativamente ao número total de acções emitidas.

Lisboa, 31 de Março de 2011
O Conselho de Administração

Pursuant to legal and statutory provisions, the Board of Directors proposes that the net profit be allocated, on an individual basis, as follows:

1. In compliance with the provisions of law and the articles of association, €139,930.17 (one hundred and thirty nine thousand, nine hundred and thirty euros and seventeen cents), corresponding to 5% of the net profit for the year, be added to the statutory reserve;
2. Given the compulsory allocation of the annual profit, above mentioned, the remainder of €2,658,673.29 (two million, six hundred and fifty eight thousand, six hundred and seventy three euros and twenty nine cents), plus €1,423,507.93 (one million, four hundred and twenty three thousand, five hundred and seven euros and ninety three cents) included in reserves and retained earnings, in the total amount of €4,082,181.22 (four million, eighty two thousand, one hundred and eighty one euros and twenty two cents), corresponding to €0.13 (thirteen euro cents) per share, regarding the total number of issued shares, be paid to shareholders.

Lisbon, 31 March 2011
Board of Directors



Rogério dos Santos Carapuça
(Presidente Chairman)



Luís Fernando de Mira Amaral



Luís Paulo Cardoso Salvado
(CEO)



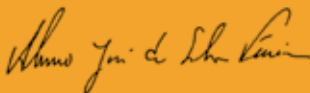
Manuel Alves Monteiro



João Nuno da Silva Bento



João Luís Correia Duque



Álvaro José da Silva Ferreira



José Afonso Oom Ferreira de Sousa



Nuno Carlos Dias dos Santos Fórneas



Joaquim Sérvulo Rodrigues



Francisco Paulo Figueiredo Morais Antunes

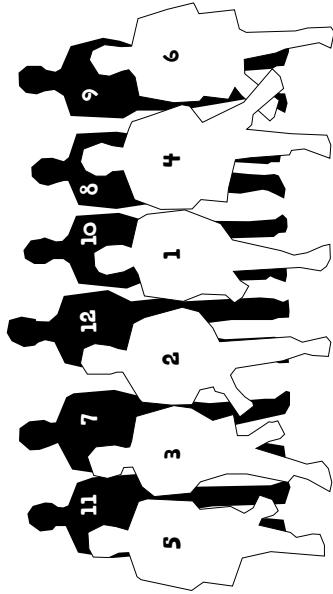


Pedro Miguel Quinteiro Marques Carvalho

Órgãos Sociais Corporate Boards

MESA DA ASSEMBLEIA GERAL
OFFICERS OF THE GENERAL MEETING OF SHAREHOLDERS
António Manuel de Carvalho F. Vitorino (Presidente Chairman)
Maria José Santana (Secretário Secretary)

COMISSÃO DE AUDITORIA **AUDIT COMMITTEE**
Luís Fernando de Mira Amaral (Presidente Chairman)
Manuel Alves Monteiro
João Luís Correia Duque



CONSELHO DE ADMINISTRAÇÃO BOARD OF DIRECTORS

- 1 Rogério Santos Carapuça**
Presidente Chairman
- 2 Luís Paulo Cardoso Salvado**
CEO | CHRO | Consulting | Aerospace & Transportation
- 3 João Nuno da Silva Bento**
Telecommunications & Media | Energy & Utilities | Digital TV | Venture Capital
- 4 Álvaro José da Silva Ferreira**
Infrastructures & Managed Services | Angola
- 5 Nuno Carlos Dias dos Santos Fórneas**
CIO | CMO | Financial Services | Industry & Services
- 6 Francisco Paulo Figueiredo Morais Antunes**
CFO | CRO | CLO | Espanha
- 7 Luís Fernando de Mira Amaral**
Administrador não executivo | Presidente da Comissão de Auditoria
- 8 Manuel Alves Monteiro**
Administrador não executivo | Membro da Comissão de Auditoria
- 9 João Luís Correia Duque**
Administrador não executivo | Membro da Comissão de Auditoria
- 10 José Afonso Oom Ferreira de Sousa**
Administrador não executivo
- 11 Joaquim Sérvulo Rodrigues**
Administrador não executivo
- 12 Pedro Miguel Quinteiro Marques de Carvalho**
Administrador não executivo





Life 🙌



Anexos ao Relatório Consolidado de Gestão

Annexes to the Consolidated Board of Directors' Report

INFORMAÇÃO SOBRE A PARTICIPAÇÃO DOS MEMBROS DOS ORGÃOS DE ADMINISTRAÇÃO E DE FISCALIZAÇÃO NO CAPITAL DA EMPRESA EM 31 DE DEZEMBRO DE 2010
(De acordo com a disposição no n.º 5 do artigo 447º do Código das Sociedades Comerciais)

INFORMATION CONCERNING STAKES HELD IN THE COMPANY BY MEMBERS OF THE BOARD OF DIRECTORS AND SUPERVISORY BOARDS AS AT 31 DECEMBER, 2010
(Under the terms of paragraph 5 of Article 447º of the Portuguese Commercial Companies Code)

ACCIONISTAS¹
SHAREHOLDERS¹

	N.º ACCÕES NO. SHARES	% CAPITAL E DIREITO DE VOTO % CAPITAL AND VOTING RIGHTS
José Afonso Oom Ferreira de Sousa	2.514.947	8.01%
Pedro Miguel Quinteiro Marques de Carvalho	2.170.679	6.91%
Luís Paulo Cardoso Salvado	1.918.040	6.11%
Rogério dos Santos Carapuça	1.884.787	6.00%
João Nuno da Silva Bento	1.799.793	5.73%
Álvaro José da Silva Ferreira	953.100	3.04%
Nuno Carlos Dias dos Santos Fórneas	81.017	0.26%
Manuel Fernando Macedo Alves Monteiro	9.000	0.03%
Luís Fernando de Mira Amaral	6.305	0.02%
João Luís Correia Duque	500	0.00%
Total	11.338.168	36.11%

¹A participação de cada um destes Accionistas corresponde à última posição comunicada à sociedade com referência a data anterior a 31 de Dezembro de 2010.

¹The shareholding of each of these Shareholders corresponds to the last position reported to the company until December 31, 2010

LISTA DOS TITULARES DE PARTICIPAÇÕES QUALIFICADAS EM 31 DE DEZEMBRO DE 2010

(De acordo com a disposição no n.º 4 do artigo 448º do Código das Sociedades Comerciais e artigo 16º do Código dos Valores Mobiliários 'CVM')

LIST OF SHAREHOLDERS WITH QUALIFYING STAKES AS AT 31 DECEMBER, 2010

(Under the terms of paragraph 4 of Article 448º of the Portuguese Commercial Companies Code 'PCCC' and Article 16º of the Portuguese Securities Code 'PSC')

ACCIONISTAS ¹ SHAREHOLDERS ¹			
	N.º PARCIAL PARTIAL NO.	N.º ACCÕES NO. SHARES	% CAPITAL E DIREITO DE VOTO % CAPITAL AND VOTING RIGHTS
Partbleu, Sociedade Gestora de Participações		3.180.444	10.13%
ES TECH VENTURES, SGPS, SA	1.792.144		
Fundo de pensões do BES	1.157.395		
Elementos dos órgãos sociais Corporate board members	100		
Grupo Banco Espírito Santo, SA (termos do n.º1 do art.º 20 do CVM) (paragraph 1 of Article 20 of PSC)		2.949.639	9.39%
José Afonso Oom Ferreira de Sousa		2.514.947	8.01%
Pedro Miguel Quinteiro Marques de Carvalho		2.170.679	6.91%
Luís Paulo Cardoso Salvado		1.918.040	6.11%
Rogério dos Santos Carapuça		1.884.787	6.00%
João Nuno da Silva Bento		1.799.793	5.73%
Fernando Fonseca Santos		1.575.020	5.02%
Fundo Santander Acções Portugal	1.234.775		
Fundo Santander PPA	191.663		
Fundo Santander Acções Europa	79.128		
Fundo Santander Selecção Acções	65.000		
Santander Asset Management - Soc. Gestora de Fundos de Investimento Mobiliário, SA (termos do n.º1 do art.º 20 do CVM) (paragraph 1 of Article 20 of PSC)		1.570.566	5.00%
Álvaro José da Silva Ferreira		953.100	3.04%
Total		20.517.015	65.34%

¹A participação de cada um destes Accionistas corresponde à última posição comunicada à sociedade com referência a data anterior a 31 de Dezembro de 2010.

¹The shareholding of each of these Shareholders corresponds to the last position reported to the company until December 31, 2010

LISTA DE TRANSACÇÕES
DE DIRIGENTES

(Nos termos dos números 6 e 7
do artigo 14º do Regulamento
da CMVM n.º 5/2008)

LIST OF MANAGEMENT
TRANSACTIONS

(Under the terms of paragraphs 6
and 7 of Article 14º of the Portuguese
Securities Market Commission -
CMVM - Regulation n.º. 5/2008)

DIRIGENTE DIRECTOR	TRANSACÇÃO TRANSACTION	DATA DATE
Luís Paulo Cardoso Salvado	Aquisição Acquisition	23.03.2010
Álvaro José da Silva Ferreira	Aquisição Acquisition	23.03.2010
Nuno Carlos Dias dos Santos Fórneas	Aquisição Acquisition	30.03.2010
Nuno Carlos Dias dos Santos Fórneas	Aquisição Acquisition	26.05.2010
Álvaro José da Silva Ferreira	Aquisição Acquisition	13.09.2010

TRANSACÇÕES DE ACÇÕES
PRÓPRIAS

(Nos termos da alínea d)
do n.º 5 do artigo 66º do Código
das Sociedades Comerciais)

OWN SHARES TRANSACTIONS

(Under the terms of section d)
of paragraph 5 of Article 66º
of the Portuguese Commercial
Companies Code)

TRANSACÇÃO TRANSACTION	DATA DATE
Cedência Transfer	30.03.2010
Cedência Transfer	30.03.2010
Cedência Transfer	30.03.2010
Cedência Transfer	30.03.2010
Cedência Transfer	17.05.2010
Cedência Transfer	18.05.2010
Cedência Transfer	18.05.2010
Cedência Transfer	21.05.2010
Cedência Transfer	21.05.2010
Cedência Transfer	25.05.2010
Cedência Transfer	25.05.2010
Cedência Transfer	25.05.2010
Cedência Transfer	25.05.2010
Cedência Transfer	26.05.2010

A 31 de Dezembro de 2009,
a Novabase S.G.P.S. detinha
em carteira 1.445.905 acções
próprias, representativas de 4,60%
do seu capital social.
Durante o ano de 2010, a empresa
cedeu 239.262 acções próprias a um
preço líquido médio de 3,91 euros.

At 31 December 2009, Novabase
S.G.P.S. held 1,445,905 own shares,
representing 4.60% of its share
capital.
During 2010, the company transferred
239,262 own shares at the average
price of €3.91 euros.

HORA TIME	LOCAL LOCATION	Nº DE AÇÕES NO. OF SHARES	PREÇO UNITÁRIO (€) PRICE PER SHARE (€)
08:12:18	Euronext Lisbon	15.000	4.30
08:12:18	Euronext Lisbon	15.000	4.30
-	Fora de Mercado Regulamentado Over the counter	15.405	3.40
-	Fora de Mercado Regulamentado Over the counter	3.906	4.00
09:12:33	Euronext Lisbon	18.100	3.35

As cedências de ações próprias foram utilizadas na liquidação de aquisições a interesses que não controlam verificadas em 2008 e em 2010, e como prémios a colaboradores.

Own shares transfers were used in the settlement of acquisitions to non-controlling interests occurred in 2008 and in 2010 and as bonuses to employees.

	LOCAL LOCATION	Nº DE AÇÕES NO. OF SHARES	PREÇO UNITÁRIO (€) PRICE PER SHARE (€)
Fora de Mercado Regulamentado	Over the Counter	90.132	3.40
Fora de Mercado Regulamentado	Over the Counter	17.779	4.42
Fora de Mercado Regulamentado	Over the Counter	7.324	4.42
Fora de Mercado Regulamentado	Over the Counter	26.316	4.19
Fora de Mercado Regulamentado	Over the Counter	24.826	4.29
Fora de Mercado Regulamentado	Over the Counter	12.413	4.29
Fora de Mercado Regulamentado	Over the Counter	12.413	4.29
Fora de Mercado Regulamentado	Over the Counter	12.413	4.29
Fora de Mercado Regulamentado	Over the Counter	15.558	3.98
Fora de Mercado Regulamentado	Over the Counter	5.580	4.00
Fora de Mercado Regulamentado	Over the Counter	1.674	4.00
Fora de Mercado Regulamentado	Over the Counter	3.348	4.00
Fora de Mercado Regulamentado	Over the Counter	5.580	4.00
Fora de Mercado Regulamentado	Over the Counter	3.906	4.00

A 31 de Dezembro de 2010, a Novabase S.G.P.S. detinha em carteira 1.206.643 ações próprias, representativas de cerca de 3,84% do seu capital social.

At 31 December 2010, Novabase S.G.P.S. held 1,206,643 own shares, representing 3.84% of its share capital.







Demonstrações Financeiras

Financial Statements

DEMONSTRAÇÃO DA POSIÇÃO FINANCEIRA CONSOLIDADA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	MILHARES DE EUROS THOUSANDS OF EUROS	31.12.10	31.12.09
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ACTIVO ASSETS

ACTIVOS NÃO CORRENTES NON-CURRENT ASSETS

Activos fixos tangíveis Property, plant and equipment	9.836	8.721
Activos intangíveis Intangible assets	31.229	28.778
Investimentos em empresas associadas Investments in associates	1.676	1.914
Activos disponíveis para venda Available-for-sale financial assets	21	25
Activos por impostos diferidos Deferred income tax assets	10.396	8.341
Outro activos não correntes Other non-current assets	69	134
Total de Activos Não Correntes Total Non-Current Assets	53.227	47.913

ACTIVOS CORRENTES CURRENT ASSETS

Inventários Inventories	10.403	8.593
Clientes e outras contas a receber Trade and other receivables	83.285	94.060
Acréscimos de proveitos Accrued income	14.035	11.055
Imposto sobre o rendimento a receber Income tax receivable	3.378	4.802
Instrumentos financeiros derivados Derivative financial instruments	197	58
Outro activos correntes Other current assets	3.834	2.485
Caixa e equivalentes a caixa Cash and cash equivalents	28.088	24.972
Total de Activos Correntes Total Current Assets	143.220	146.025

Activos operações descontinuadas Assets for discontinued operations	49	826
Total do Activo Total Assets	196.496	194.764

MILHARES DE EUROS
THOUSANDS OF EUROS

31.12.10

31.12.09

CAPITAIS PRÓPRIOS EQUITY

Capital social Share capital	15.701	15.701
Acções próprias Treasury shares	(603)	(723)
Prémios de emissão Share premium	43.560	49.213
Reservas e resultados acumulados Reserves and retained earnings	21.063	16.425
Resultado líquido Profit for the year	13.053	12.882

Total dos Cap. próp. Atrib. aos Accionistas Total Equity Attrib. to Owners of the Parent	92.774	93.498
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Interesses que não controlam Non-controlling interests	5.724	5.644
--	-------	-------

Total dos Capitais Próprios Total Equity	98.498	99.142
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PASSIVO LIABILITIES**PASSIVOS NÃO CORRENTES NON-CURRENT LIABILITIES**

Empréstimos Borrowings	7.879	3.968
Provisões Provisions	1.633	2.245
Passivos por impostos diferidos Deferred income tax liabilities	909	100
Outros passivos não correntes Other non-current liabilities	927	1.123

Total de Passivos Não Correntes Total Non-Current Liabilities	11.348	7.436
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PASSIVOS CORRENTES CURRENT LIABILITIES

Empréstimos Borrowings	5.333	4.502
Fornecedores e outras contas a pagar Trade and other payables	57.101	62.774
Imposto sobre o rendimento a pagar Income tax payable	311	290
Instrumentos financeiros derivados Derivative financial instruments	353	139
Proveitos dif. e outros passivos correntes Def.income and other current liabilities	22.807	19.662

Total de Passivos Correntes Total Current Liabilities	85.905	87.367
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Passivos operações descontinuadas Liabilities for discontinued operations	745	819
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Total do Passivo Total Liabilities	97.998	95.622
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Total dos Capitais Próprios e Passivo Total Equity and Liabilities	196.496	194.764
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DEMONSTRAÇÃO DO RENDIMENTO INTEGRAL CONSOLIDADO
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	MILHARES DE EUROS THOUSANDS OF EUROS	31.12.10 (12M*)	31.12.09 (12M*)
Vendas Sales		103.975	117.634
Prestação de serviços Services rendered		132.356	123.780
Custo das vendas Cost of sales		(90.125)	(103.761)
Fornecimentos e serviços externos External supplies and services		(50.378)	(45.308)
Gastos com o pessoal Employee benefit expense		(75.607)	(70.503)
Outros ganhos e perdas líquidos Other gains/(losses) - net		1.947	(109)
Amortizações e depreciações Depreciation and amortisation		(5.478)	(5.111)
Resultados Operacionais Operating Profit		16.690	16.622
Proveitos financeiros Finance income		5.256	2.960
Custos financeiros Finance costs		(5.371)	(2.787)
Perdas em associadas Share of loss of associates		(255)	(1.113)
Resultados Antes de Impostos Profit Before Tax		16.320	15.682
Imposto sobre o rendimento Income tax expense		(2.628)	(2.634)
Resultado Líquido Profit for the Year		13.692	13.048

	MILHARES DE EUROS THOUSANDS OF EUROS	31.12.10 (12M*)	31.12.09 (12M*)
OUTRO RENDIMENTO INTEGRAL NO EXERCÍCIO OTHER COMPREHENSIVE INCOME		-	-
Rendimento Integral Total no Exercício Total Comprehensive Income for the year		13.692	13.048
Resultado Líquido Atribuível a: Profit Attributable to:			
Accionistas Owners of the parent		13.053	12.882
Interesses que não controlam Non-controlling interests		639	166
		13.692	13.048
Rendimento Integral Atribuível a: Total Comprehensive Income Attributable to:			
Accionistas Owners of the parent		13.053	12.882
Interesses que não controlam Non-controlling interests		639	166
		13.692	13.048
Resultado por acção atribuível aos accionistas (€ por acção)			
Earnings per share attributable to owners of the parent (Euros per share)			
Resultado por acção básico Basic earnings per share		0.43 euros	0.43 euros
Resultado por acção diluído Diluted earnings per share		0.43 euros	0.42 euros

12M* - período de 12 meses findo em

12M* - period of 12 months ended



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Parecer da Comissão de Auditoria e Certificação Legal de Contas

Report from the Auditing
Committee and Statutory
Auditor Report



Comissão de Auditoria

Parecer da Comissão de Auditoria Sobre a Informação Financeira Consolidada

Senhores Accionistas,

Nos termos da lei, do mandato que nos foi conferido pelos Senhores Accionistas e conforme previsto na alínea g) do artigo 423º-F do Código das Sociedades Comerciais e no n.º 1 do artigo 508º-D do mesmo Código, apresentamos sucinto relato da actividade fiscalizadora desenvolvida e damos Parecer sobre o Relatório de Gestão e Demonstrações Financeiras Consolidadas apresentados pelo Conselho de Administração da Novabase S.G.P.S., S.A. relativamente ao exercício findo em 31 de Dezembro de 2010.

Ao longo do ano de 2010 esta comissão realizou 14 reuniões formais, bem como diversas reuniões informais, tendo procedido à fiscalização:

- da Administração da Sociedade, seja no tocante à observância do cumprimento da lei, do contrato de sociedade e demais regulamentação em vigor, seja no tocante à sua actividade de gestão, às políticas prosseguidas e à conduta transparente, rigorosa e credível;
- da eficácia dos sistemas de gestão de riscos, e das acções de controlo interno e de auditoria interna; e
- dos mecanismos, procedimentos e acções desenvolvidos na preparação e divulgação de informação financeira, assim como na revisão da exactidão dos documentos de prestação de contas e das principais políticas contabilísticas adoptadas pela Sociedade, por forma a assegurar que os mesmos correspondem a uma correcta avaliação da posição financeira e dos seus resultados.



Comissão de Auditoria

No âmbito das competências que nos foram conferidas verificámos que:

- o relatório consolidado de gestão evidência de forma correcta, clara e completa os aspectos mais significativos da evolução dos negócios e da situação patrimonial da Sociedade; igualmente, encontram-se devidamente identificados todos os riscos existentes, quer aqueles de natureza operacional, quer aqueles de natureza financeira; e
- as demonstrações financeiras consolidadas e o respectivo anexo dão uma imagem verdadeira e apropriada da situação financeira da Sociedade.

Nestes termos, tendo em consideração as informações recebidas do Conselho de Administração e dos diversos Departamentos da sociedade, bem como, as conclusões constantes da Certificação Legal das Contas com as quais se concorda, somos do parecer que:

- seja aprovado o Relatório de Gestão;
- sejam aprovadas as Demonstrações Financeiras Consolidadas.

Lisboa, 31 de Março de 2011

A Comissão de Auditoria

Luis Mirá Amaral (Presidente)

Manuel Alves Monteiro (Vogal)

João Luís Duque (Vogal)



Audit Committee

Opinion of the Audit Committee on the Consolidated Financial Information

Dear Shareholders,

Pursuant to the law, the mandate from our shareholders and the provisions of Article 423-F, Item g) of the Portuguese Company Code and nº of Article 508-D of the same code, we now present a brief summary of our supervisory activities, together with our opinion on the Annual Report and Consolidated Financial Statements presented by the Novabase SGPS, SA Board of Directors for the year ending 31 December 2010.

Over the course of the period ended December 31, 2010, the Audit Committee held 14 formal meetings and several informal meetings to supervise the following:

- Company management, in terms of compliance with the law, the memorandum of association and other regulations in force, as well as in relation to management activities, policies pursued and the transparency, diligence and credibility of conduct;
- The efficacy of risk management systems and internal control and auditing activities; and
- Mechanisms, procedures and activities employed in preparing and disclosing financial information and reviewing the accuracy of the accounting documentation and accounting policies used by the Company, to ensure that these entail an accurate assessment of the Company's financial status and results.



Audit Committee

Under the powers given to us, we have confirmed that:

- The Consolidated Annual Report accurately, clearly and fully reflects the most significant aspects of the Company's business and financial situation; similarly, all existing risks of both an operational and financial nature have been duly identified; and
- The Consolidated Financial Statements and corresponding Annex truly and fairly reflect the Company's financial situation.

Therefore, in light of the information received from the Board of Directors and the Company's various departments, together with the conclusions of the Statutory Auditors Report of the Limited Review Report which deserved our agreement, it is our opinion that:

- The Annual Report be approved;
- The Consolidated Financial Statements be approved.

Lisbon, 31st March 2011

The Audit Committee

Luis Mira Amaral (Chairman)

Manuel Alves Monteiro (Member)

João Luís Duque (Member)



Certificação Legal das Contas e Relatório de Auditoria sobre a Informação Financeira Consolidada

Introdução

1 Nos termos da legislação aplicável, apresentamos a Certificação Legal das Contas e Relatório de Auditoria sobre a informação financeira contida no Relatório consolidado de gestão e nas demonstrações financeiras consolidadas anexas da Novabase, SGPS, SA., as quais compreendem a Demonstração da posição financeira consolidada em 31 de Dezembro de 2010, (que evidencia um total de 196.496 milhares de euros, e um total de capital próprio de 98.498 milhares de euros, o qual inclui interesses que não controlam de 5.724 milhares de euros e um resultado líquido de 13.053 milhares de euros), a Demonstração do rendimento integral consolidado, a Demonstração de alterações aos capitais próprios consolidados e a Demonstração consolidada dos fluxos de caixa do exercício findo naquela data, e o correspondente Anexo.

Responsabilidades

2 É da responsabilidade do Conselho de Administração da Empresa (i) a preparação do Relatório consolidado de gestão e de demonstrações financeiras consolidadas que apresentem de forma verdadeira e apropriada a posição financeira do conjunto das empresas incluídas na consolidação, as alterações aos capitais próprios consolidados, o rendimento integral consolidado das suas operações e os fluxos de caixa consolidados; (ii) que a informação financeira histórica seja preparada em conformidade com as normas internacionais de relato financeiro (IFRS) tal como adoptadas na União Europeia e que seja completa, verdadeira, actual, clara, objectiva e lícita, conforme exigido pelo Código dos Valores Mobiliários; (iii) a adopção de políticas e critérios contabilísticos adequados; (iv) a manutenção de sistemas de controlo interno apropriados; e (v) a divulgação de qualquer facto relevante que tenha influenciado a actividade do conjunto das empresas incluídas na consolidação, a sua posição financeira ou resultados.

3 A nossa responsabilidade consiste em verificar a informação financeira contida nos documentos de prestação de contas acima referidos, designadamente sobre se é completa, verdadeira, actual, clara, objectiva e lícita, conforme exigido pelo Código dos Valores Mobiliários, competindo-nos emitir um relatório profissional e independente baseado no nosso exame.

Âmbito

4 O exame a que procedemos foi efectuado de acordo com as Normas Técnicas e as Directrizes de Revisão/Auditoria da Ordem dos Revisores Oficiais de Contas, as quais exigem que o mesmo seja planeado e executado com o objectivo de obter um grau de segurança aceitável sobre se as demonstrações financeiras consolidadas não contêm distorções materialmente relevantes. Para tanto o referido exame incluiu: (i) a verificação de as demonstrações financeiras das empresas incluídas na consolidação terem sido apropriadamente examinadas e, para os casos significativos em que o não tenham sido, a verificação, numa base de amostragem, do suporte das quantias e divulgações nelas constantes e a avaliação das estimativas, baseadas em juízos e critérios definidos pelo Conselho de Administração, utilizadas na sua preparação; (ii) verificação das operações de consolidação e da aplicação do método da equivalência patrimonial; (iii) a apreciação sobre se são adequadas as políticas

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Matriculada na Conservatória do Registo Comercial sob o NUPC 506 628 752, Capital Social Euros 314.000

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contabilísticas adoptadas e a sua divulgação, tendo em conta as circunstâncias; (iv) a verificação da aplicabilidade do princípio da continuidade; (v) a apreciação sobre se é adequada, em termos globais, a apresentação das demonstrações financeiras consolidadas; e (vi) a apreciação se a informação financeira consolidada é completa, verdadeira, actual, clara, objectiva e lícita.

5 O nosso exame abrangeu ainda a verificação da concordância da informação constante do Relatório consolidado de gestão com os restantes documentos de prestação de contas, bem como as verificações previstas nos números 4 e 5 do artigo 451º do Código das Sociedades Comerciais.

6 Entendemos que o exame efectuado proporciona uma base aceitável para a expressão da nossa opinião.

Opinião

7 Em nossa opinião, as referidas demonstrações financeiras consolidadas apresentam de forma verdadeira e apropriada, em todos os aspectos materialmente relevantes, a posição financeira consolidada da Novabase, SGPS, SA. em 31 de Dezembro de 2010, as alterações aos capitais próprios consolidados, o rendimento integral consolidado das suas operações e os fluxos consolidados de caixa no exercício findo naquela data, em conformidade com as normas internacionais de relato financeiro (IFRS) tal como adoptadas na União Europeia e a informação nelas constante é completa, verdadeira, actual, clara, objectiva e lícita.

Relato sobre outros requisitos legais

8 É também nossa opinião que a informação constante do Relatório consolidado de gestão é concordante com as demonstrações financeiras consolidadas do exercício e o Relatório do governo das sociedades inclui os elementos exigíveis nos termos do artigo 245º-A do Código dos Valores Mobiliários.

31 de Março de 2011

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
representada por:



Jorge Manuel Santos Costa, R.O.C.



Statutory Auditors Report in respect of the Consolidated Financial Information

(Free translation from the original version in Portuguese)

Introduction

1 As required by law, we present the Statutory Auditors Report in respect of the Consolidated Financial Information included in the consolidated Board of Directors' Report and the consolidated financial statements of Novabase, SGPS, SA., comprising the Consolidated statement of financial position as at December, 31, 2010, (which shows total assets of Euros 196.496 thousand, total non-controlling interests of Euros 5.724 thousand and a total shareholder's equity of Euros 98.498 thousand including a net profit of Euros 13.053 thousand), the Consolidated statement of comprehensive income, the Consolidated statement of changes in equity and the Consolidated statement of cash flows for the year then ended and the corresponding notes to the accounts.

Responsibilities

2 It is the responsibility of the Company's Board of Directors (i) to prepare the consolidated Directors' Report and consolidated financial statements which present fairly, in all material respects, the financial position of the company and its subsidiaries, the consolidated changes in equity, the consolidated comprehensive income of their operations and their consolidated cash flows; (ii) to prepare historic financial information in accordance with International Financial Reporting Standards as adopted by the EU and which is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code; (iii) to adopt adequate accounting policies and criteria; (iv) to maintain appropriate systems of internal control; and (v) to disclose any relevant matters which have influenced the activity, the financial position or results of the company and its subsidiaries.

3 Our responsibility is to verify the consolidated financial information included in the documents referred to above, namely if it is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code, and to issue an independent and professional report based on our audit.

Scope

4 We conducted our audit in accordance with the Standards and Technical Recommendations approved by the Institute of Statutory Auditors which require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. Accordingly, our audit included: (i) verification that the subsidiary's financial statements have been properly examined and for the cases where such an audit was not carried out, verification, on a sample basis, of the evidence supporting the amounts and disclosures in the consolidated financial statements, and assessing the reasonableness of the estimates, based on the judgements and criteria of Management used in the preparation of the consolidated financial statements; (ii) verification of the consolidation operations, and, when applicable, the utilization of the equity method; (iii) assessing the appropriateness and consistency of the accounting principles used and their disclosure, as applicable; (iv) assessing the applicability of the going concern basis of accounting; (v) assessing the overall presentation of the consolidated financial statements;

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PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda. pertence à rede de entidades

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and (vi) assessing whether the consolidated financial information is complete, true, timely, clear, objective and licit.

5 Our audit also covered the verification that the information included in the consolidated Directors' Report is in agreement with the other documents as well as the verification set forth in paragraphs 4 and 5 of Article 451 of the Companies Code.

6 We believe that our audit provides a reasonable basis for our opinion.

Opinion

7 In our opinion, the consolidated financial statements referred to above, present fairly in all material respects, the consolidated financial position of Novabase, SGPS, SA. as at December, 31, 2010, the consolidated changes in equity, the comprehensive income of their operations and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and the information included is complete, true, timely, clear, objective and licit.

Report on other legal requirements

8 It is also our opinion that the information included in the Directors' Report is in agreement with the financial statements for the year and that the Corporate Governance Report includes the information required under Article 245-A of the Portuguese Securities Code.

March, 31, 2011

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Jorge Manuel Santos Costa, R.O.C.

CORPORATE GOVERNANCE REPORT



CORPORATE GOVERNANCE REPORT

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SHAREHOLDING STRUCTURE ON 31 DECEMBER 2010

Shareholdings of Members of the Corporate Boards (nº5 artº447 of Company Code)¹

Shareholders	#	%
	Shares	Capital and voting rights
José Afonso Oom Ferreira de Sousa	2.514.947	8,01%
Pedro Miguel Quinteiro Marques de Carvalho	2.170.679	6,91%
Luís Paulo Cardoso Salvado	1.918.040	6,11%
Rogério dos Santos Carapuça	1.884.787	6,00%
João Nuno da Silva Bento	1.799.793	5,73%
Álvaro José da Silva Ferreira	953.100	3,04%
Nuno Carlos Dias dos Santos Fórneas	81.017	0,26%
Manuel Alves Monteiro	9.000	0,03%
Luís Fernando de Mira Amaral	6.305	0,02%
João Luís Correia Duque	500	0,00%
Total	11.338.168	36,11%

Shareholdings and Qualified Holdings (nº 4 artº448 CSC and artº 16º of Securities Code)¹

Shareholders	#	#	%
	Shares partial	Shares	Capital and voting rights
Partbleu, Sociedade Gestora de Participações		3.180.444	10,13%
ES TECH VENTURES, SGPS, SA	1.792.144		
Fundo de Pensões do BES	1.157.395		
Elementos dos Órgãos Sociais	100		
Grupo Banco Espírito Santo, SA (nos termos do nº1 do artº20 do CVM)		2.949.639	9,39%
José Afonso Oom Ferreira de Sousa		2.514.947 ²	8,01%
Pedro Miguel Quinteiro Marques de Carvalho		2.170.679 ²	6,91%
Luís Paulo Cardoso Salvado		1.918.040 ²	6,11%
Rogério dos Santos Carapuça		1.884.787 ²	6,00%
Shareholders	#	#	%
	Shares partial	Shares	Capital and voting rights

João Nuno da Silva Bento		1.799.793 ²	5,73%
Fernando Fonseca Santos		1.575.020	5,02%
Fundo Santander PPA	191.663		
Other	144.128		
Fundo Santander Acções Portugal	1.234.775		
Santander Asset Management - Soc.Gestora de Fundos de Investimento Mobiliário, SA (nos termos do nº1 do artº20 do CVM)		1.570.566	5,00%
Álvaro José da Silva Ferreira		953.100 ²	3,04%
Total		20.517.015	65,34%

¹ Shareholding of each shareholder corresponds to the last position disclosed to the company before 31 December 2010.

² Includes shareholdings under the shareholders agreement described on item III.5 of this report, the shares of the remaining shareholders under this agreement being attributable to the shareholder in question. The total voting rights of shareholders under the shareholders agreement corresponds to 10.488.065 shares representing 33,40% of the share capital and voting rights of Novabase – SGPS, S.A..

INTRODUCTION

Novabase, Sociedade Gestora de Participações Sociais, S.A. (hereinafter called “Novabase” or “company”) has chosen to publish a separate annex to its annual report on the topic of corporate governance, in compliance with Article 245/A of the Securities Code and in accordance with the provisions of CMVM Regulation no. 01/2010 on the Governance of Listed Companies, organized according to the scheme outlined in Annex I to this CMVM regulation.

In this report, Novabase indicates which recommendations have been adopted and not adopted from the CMVM 2010 Corporate Governance Code (“Recommendations”), published in January 2010 (“Corporate Governance Code”).

This annex, which is an integral part of the company’s annual report, contains information complying with the requirements of Article 7 of the Securities Code and references to other annexes.

Moreover, in this report, Novabase gauges its degree of compliance with recommendations in the CMVM 2010 Corporate Governance Code (“Recommendations”), published in January 2010 (“Corporate Governance Code”).

Novabase has been a publicly-traded company since July 2000. It operates according to a constantly-evolving corporate governance model, aimed at optimizing its performance and benefiting all of its stakeholders – those interested in its corporate activities, namely shareholders, investors, customers, partners and employees.

In light of trends in best corporate governance practices in accordance with rules and recommendations issued by the CMVM, and taking into account Novabase’s experiences since its admission to trading on the Euronext Lisbon regulated market, shareholders at the General Meeting of Shareholders of 12 April 2007 approved an Anglo-Saxon corporate governance model that includes a Board of Directors with an Audit Committee and a statutory auditor. Moreover, following the General Meeting of Shareholders of 28 April 2009, two specialized committees were established within the Board of Directors: a Board of Directors Performance Assessment Committee and a Corporate Governance Assessment Committee. In order to improve its governance practices, Novabase constantly analyses the implementation of this model.

Chapter 0 - Declaration of Compliance

The Corporate Governance Code and CMVM Regulation No. 1/2010 on the governance of listed companies are available on the company's website (www.novabase.pt) in the section "IR/ Corporate Governance", and on the CMVM website at www.cmvm.pt.

Itemized below are the Corporate Governance Code recommendations, adopted and not adopted (defining "not adopted" as those recommendations which were not followed in their entirety).

	Recommendation	Fulfilment	Remarks
	I General Meeting of Shareholders		
	I.1 GENERAL MEETING BOARD		
1	I.1.1 The Chairman of the General Meeting Board shall be equipped with the necessary and adequate human resources and logistic support, taking the financial position of the company into consideration.	Yes	The Chairman of the General Meeting of Shareholders has access to a work room and secretary services at the company when needed (see point I.1.)
2	I.1.2 The remuneration of the Chairman of the General Meeting Board shall be disclosed in the annual report on corporate governance.	Yes	The Chairman of the General Meeting of Shareholders is remunerated according to attendance in the amount of €1,000. (see point I.3.)
	I.2 PARTICIPATION AT THE MEETING		
3	I.2.1 The requirement for the Board to receive statements for share deposit or blocking for participation at the general meeting shall not exceed 5 working days.	n/a	In view of the entry into force of the registry date regime for preparing and holding General Meetings of Shareholders, pursuant to article 23 C of the Securities Code, this recommendation no longer applies to Novabase.
4	I.2.2 Should the General Meeting be suspended, the company shall not compel share blocking during that period until the meeting is resumed and shall then follow the standard requirement of the first session.	n/a	This recommendation no longer applies to Novabase, for the reason stated in the preceding recommendation.
	I.3 VOTING AND EXERCISING VOTING RIGHTS		
5	I.3.1 Companies shall not impose any statutory restriction on postal voting and whenever adopted or admissible, on electronic voting.	Yes	Clause 9 (no. 9) of Novabase's articles of association governs postal voting, while the applicable rules for voting by electronic means are defined in each meeting notice. In both cases, there are no restrictions imposed on voting rights. (see points I.9., I.10., I.11. and I.12.)
6	I.3.2 The statutory deadline for receiving early voting ballots by mail shall not exceed 3 working days.	Yes	Novabase's articles of association state that voting ballots must be received by the third working day preceding the date of the General Meeting of Shareholders. (see point I.11.)
7	I.3.3 Companies shall ensure the level of voting rights and the shareholder's participation is proportional, ideally through the statutory provision that obliges the one share-one vote principal. The companies that: i) have shares that do not confer voting right; ii) establish non-casting of voting rights above a certain number, when issued solely by a shareholder or by shareholders associated to the former, do not comply with the proportionality principle.	Yes	Under clause 9 no. 5 of Novabase's articles of association, one share corresponds to one vote. (see point I.6.)
	I.4 DELIBERATING QUORUM		

8	Companies shall not set a deliberating quorum that outnumbers that which is prescribed by law.	Yes	The deliberating quorum of Novabase's General Meeting of Shareholders, as established by its articles of association, is the same as that prescribed by law. (see point I.8.)
I.5 ATTENDEES LIST, MINUTES AND INFORMATION ON RESOLUTIONS PASSED			
9	Extracts from the minutes of the general meetings or documents with corresponding content must be made available to shareholders on the company's website within a five day period after the General Meeting has been held, irrespective of the fact that such information may not be classified as material. The information disclosed shall cover the resolutions passed, the represented capital and the voting results. Said information shall be visible on the company's website for no less than a 3 year period.	Yes	Novabase maintains a collection of past minutes, including the number of people present, number of shareholders represented and the number of institutional investors present, as well as the meetings' agendas and the decisions taken at meetings held over the past three years, on its website. A summary of the meeting's decisions is published on the Novabase website and in the CMVM information disclosure system on the date of the General Meeting of Shareholders. Voting results have also been provided since 2010. Novabase has also established the necessary mechanisms to ensure disclosure of the minutes within the recommended time period. (see points I.13. and I.14.)
I.6 MEASURES ON CORPORATE CONTROL			
10	Measures aimed at preventing successful takeover bids, shall respect both the company's and the shareholders' interests. The company's articles of association that by complying with said principal, provide for the restriction of the number of votes that may be held or exercised by a sole shareholder, either individually or in concert with other shareholders, shall also foresee for a resolution by the General Assembly (5 year intervals, at least), on whether that statutory provision is to be amended or prevails – without quorum requirements superior to the one legally in force – and that in said resolution, all votes issued be counted, without applying said restriction.	No	There is a shareholders' agreement among a group of shareholders, which is described in point III.5. Novabase believes that the existence of a shareholders' agreement does not constitute a defensive measure contrary to shareholder interests in itself, since it ensures stability in the management of the company, therefore safeguarding Novabase's corporate and shareholder interests. Furthermore, Novabase believes that because the current shareholders' agreement involves only 33.40% of Novabase's total shares, it should not be considered a defensive measure against any public offerings for acquisition, given that in addition to the fact that it was not established for this purpose, such a shareholders' agreement cannot prevent the transfer of control of the company and therefore the success of any general public offerings for acquisition. (see point III.5.). According to the CMVM, however, Novabase does not comply with this recommendation in its entirety.
11	I.6.2. In cases such as change of control or changes to the composition of the Board of Directors, defensive measures should not be adopted that instigate an immediate and serious asset erosion in the company, and further disturb the free transmission of shares and voluntary assessment of the performance of the Board of Directors by the shareholders.	Yes	Novabase has not adopted defensive measures that automatically cause serious erosion in the company's assets in the event of the transfer of control or changes to the composition of the Board of Directors (see points I.20., I.21. and I.22.).
II. MANAGEMENT AND SUPERVISORY BOARDS			
II.1. GENERAL POINTS			

II.1.1. STRUCTURE AND DUTIES			
13	II.1.1.1 The Board of Directors shall assess the adopted model in its Annual Report on Corporate Governance and pin-point possible barriers to its functioning and shall propose measures that it deems fit for surpassing such obstacles.	Yes	In this report, Novabase's Board of Directors assesses the governance model adopted, proposing action measures (see "Corporate Governance Model Assessment" in Chapter 0).
14	II.1.1.2 Companies shall establish internal control and risk management systems in order to safeguard the company's worth, encourage transparency and identify and manage risk. Said systems shall include at least the following components: i) <i>setting of the company's strategic objectives as regards risk assumption</i> ; ii) <i>identifying the main risks associated to the company's activity and any events that might generate risks</i> ; iii) <i>analyse and determine the extent of the impact and the likelihood that each of said potential risks will occur</i> ; iv) <i>risk management aimed at aligning actually incurred risks with the company's strategic options for risk assumption</i> ; v) <i>control mechanisms for executing measures for adopted risk management and its effectiveness</i> ; vi) <i>adoption of internal mechanisms for information and communication on various components of the system and of risk-warning</i> ; vii) <i>periodic assessment of the implemented system and the adoption of the amendments that are deemed necessary</i> .	Yes	Internal control and risk management systems are described in point II.5.
15	II.1.1.3 The Board of Directors shall ensure the establishment and functioning of the internal control and risk management systems. The Supervisory Board shall be responsible for assessing the functioning of said systems and proposing the relevant adjustment to the company's needs.	Yes	The responsibilities of Novabase's managing board (namely establishment and functioning) and supervisory board (namely assessment and proposed adjustment) with regard to internal control and risk management systems are described in point II.6.
16	II.1.1.4 Companies shall: i) identify the main economic, financial and legal risks that the company is exposed to during the exercise of its activity; ii) describe the performance and efficiency of the risk management system, in its Annual Report on Corporate Governance.	Yes	Primary economic, financial and legal risks are outlined in point II.7. The performance and efficiency of the risk management system is described in point II.5.
17	II.1.1.5 The Board of Directors and the Supervisory Board shall establish internal regulations and shall have these disclosed on the company's website.	Yes	As stated in point II.7., Novabase's Board of Directors and Audit Committee have operating regulations, which are published at Novabase's website.
II.1.2 GOVERNANCE INCOMPATIBILITY AND INDEPENDENCE			
18	II.1.2.1 The Board of Directors shall include a number of non-executive members that ensure the efficient supervision, auditing and assessment of the executive members' activity.	Yes	The composition of the Board of Directors includes an adequate number of non-executive directors (exceeding one-third of the total); three of them are independent, and are part of the Audit Committee. These independent directors monitor and assess the management of the Company on a continuous basis. They are empowered to propose the appointment of external auditors, supervise the implementation of Novabase's strategic and budgetary plan each year, and monitor the activities of the Executive Committee in performing its duties involving the day-to-day running of Novabase. (see point II.14.)
19	II.1.2.2 Non-executive members must include an adequate number of independent members. The	Yes	Novabase's Board of Directors currently includes three independent

	size of the company and its shareholder structure must be taken into account when devising this number and may never be less than a fourth of the total number of Directors.		non-executive directors (around 27% of the total number of managing board members). (see point II.14.)
20	II.1.2.3 The independency assessment of its non-executive members carried out by the Board of Directors shall take into account the legal and regulatory rules in force concerning the independency requirements and the incompatibility framework applicable to members of other corporate boards, which ensure orderly and sequential coherence in applying independency criteria to all the company. An independent executive member shall not be considered as such, if in another corporate board and by force of applicable rules, may not be an independent executive member.	Yes	The independency assessment of non-executive directors takes the independency requirements and applicable incompatibility framework into account, specifically ensuring the orderly and sequential coherence in applying independency criteria to all the company (see point II.15)
II.1.3 ELIGIBILITY CRITERIA FOR APPOINTMENT			
21	II.1.3.1 Depending on the applicable model, the Chairman of the Audit Board, the Audit Committee or the Financial Matters Committees shall be independent and be adequately capable to carry out its duties.	Yes	The three members of the Auditing Committee are independent, and are adequately capable of performing these duties. (see point II.21.)
22	II.1.3.2 The selection process of candidates for non-executive members shall be structured so as prevent interference by executive directors.	Yes	Candidates for non-executive director positions are selected through a process conducted exclusively by shareholders, in which they are nominated for election at the General Meeting of Shareholders via a proposal signed by the company's shareholders, with no interference, at any time during the selection process, from executive directors (see point II.16).
II.1.4 POLICY ON THE REPORTING OF IRREGULARITIES			
23	II.1.4.1 The company shall adopt a policy whereby irregularities occurring within the company, are reported. Such reports should contain the following information: i) the means through which such irregularities may be reported internally, including the persons that are entitled to receive the reports; ii) how the report is to be handled, including confidential treatment, should it be required by the reporter.	Yes	Employees and other Novabase stakeholders have access to a direct and confidential channel for reporting any practice that appears to be improper and/or irregular in any way, whatever it may be, having occurred at Novabase, with the guarantee of confidentiality. (see point II.35.)
24	II.1.4.2 The general guidelines on this policy should be disclosed in the corporate governance report.	Yes	The general guidelines on this policy are disclosed in the corporate governance report. (see point II.35.)
II.1.5 REMUNERATION			
25	III.1.5.1 The remuneration of the Members of the Board of Directors shall be structured such that the formers' interests are capable of being aligned with the long-term interests of the company. Furthermore, the remuneration shall be based on performance assessment and shall discourage taking on excess risk. Thus, remunerations shall be structured as follows:	No ¹	The remuneration policy of members of the corporate bodies was defined in the beginning of the term corresponding to the 2009-2011 triennium and as such it was deliberated not to carry out any change in 2010 to this policy.
	i) The remuneration of the Board of Directors carrying out executive duties shall include a variable element which is determined by a performance assessment carried out by the	No	The remuneration of executive directors (and of

1 Novabase understands that recommendation no. II.1.5.1. is a generic recommendation, divided into several "sub-recommendations". As such, Novabase believes that to comply with recommendation no. II.1.5.1, all of its respective sub-recommendations must be completely fulfilled, which is not the case. However, in view of the diverse issues covered by these "sub-recommendations", Novabase believes that the fulfilment of each "sub-recommendation" and its applicability to Novabase should be assessed individually and separately, as shown in the above table. In addition, an analysis of the unfulfilled "sub-recommendations" should serve as justification for the failure to fulfil the generic recommendation in its entirety.

	company's competent bodies according to pre-established quantifiable criteria. Said criteria shall take into consideration the company's real growth and the actual wealth generated for the shareholders, its long-term sustainability and the risks taken, as well as compliance with the rules applicable to the company's activity.		<p>some non-independent, non-executive directors) depends on an organizational performance assessment for the year in question, and correlates with the responsibility and performance of each director in particular. This assessment is conducted by the Remuneration Committee, in accordance with criteria approved by the shareholders. The policy currently adopted by Novabase does not establish the assessment of the performance of executive directors to consider specifically the long term sustainability of the company and the wealth created or the risks undertaken.</p> <p>The remuneration policy of members of the corporate bodies was defined in the beginning of the term corresponding to the 2009-2011 triennium and as such it was deliberated not to carry out any change in 2010 to this policy. (see points II.32 and II.33 a), b) and c)).</p>
	ii) The variable component of the remuneration shall be reasonable overall as regard the fixed component of the remuneration, and maximum limits shall be set for all components.	No	<p>The relative importance of directors' variable and fixed remuneration components is shown in the table in point II.31. Moreover, the limits established for the fixed (limit of [...]), variable cash (limit of [...]) and variable options (limit determined based on prior plan for options to allot shares) components are described in point II.33 d)</p>
	iii) A significant part of the variable remuneration shall be deferred for a period not less than three years and its payment shall depend of the company's steady positive performance during said period.	Yes	<p>There exists the possibility of deferring the variable portion of the remuneration paid through the stock option plan, namely when the options are not exercised until their last maturity date, i.e. 3 years after the commencement of the directors' terms of office, which must always occur for at least 1/3 of the options attributed.</p> <p>In addition, shares acquired through the exercising of options may not be sold or encumbered for one year (50% of the total shares acquired). (see point II.32.)</p>
	(iv) Members of the Board of Directors shall not enter into contracts with the company or third parties that will have the effect of mitigating the risk inherent in the variability of the	Yes	<p>The company has no information regarding the</p>

	remuneration established by the company.		signing of contracts aimed at mitigating the risk inherent in the variability of the remuneration, namely hedging or risk transfer contracts (see point II.33 g))
	(v) The Executive Directors shall hold until the end of their term of office, up to twice the value of the total annual remuneration, the company shares that were allotted by virtue of the variable remuneration schemes, with the exception of those shares that are required to be sold for the payment of taxes on the gains of said shares.	n/a	This recommendation does not apply; since no options were exercised on the maturity date of Batch 1 of options under the current stock option plan (as stated in point III.10), the Novabase directors participating in this plan have not accessed any shares under variable remuneration schemes (see point II.33 g))
	(vi) When the variable remuneration includes stock options, the period for exercising same shall be deferred for a period of not less than three years;	No	<p>The options attributed under the current stock option plan include three batches; only the third of these has a deferred maturity date of three years (see point III.10)</p> <p>Since the remuneration policy for corporate board members was established at the start of the three-year term of 2009-2011, any changes to these remuneration terms during this time period would be inappropriate.</p>
	(vii) The appropriate legal instruments shall be established such that in the event of a Director's dismissal without due cause, the envisaged compensation shall not be paid out if the dismissal or termination by agreement is due to the Director's inadequate performance.	No	<p>There are no contractual restraints for compensation owed for undue dismissal of executive directors, as per legal rules.</p> <p>In Novabase's opinion, since management positions are remunerated, with a mandatory legal ceiling on compensation for dismissal without due cause, and in view of the protection of expectations principle, there is no justification for contractual restraints that reduce the maximum legal compensation amount to a director with legal proof of damages incurred, when dismissal occurs due to his/her inadequate performance without justified grounds.</p> <p>Moreover, in view of the mandatory legal ceiling on compensation for undue dismissal, there is no foreseeable advantage in establishing contractual restraints to directors' compensation in the event of consensual termination of</p>

			<p>duties.</p> <p>Lastly, the implementation of such measures during the term of office does not seem appropriate. (see point II.33 m))</p>
	<p>(viii) The remuneration of Non-Executive Board Members shall not include any component the value of which is subject to the performance or the value of the company.</p>	No	<p>The remuneration policy for directors passed in the 2010 General Meeting of Shareholders still allowed non-independent non-executive directors to receive a variable remuneration component, especially bearing in mind that these directors could take on key management responsibilities in the Group, although without executive powers (which they ultimately did), thereby justifying this variable component.</p> <p>In any case, since differences in the remuneration structure are intended to adjust remuneration according to the duties actually performed by each director in the Group, the remuneration of the members of the Board of Directors is structured so as to align their interests with those of the company (see point II.34).</p>
26	<p>II.1.5.2 The statement on the remuneration policy of the Board of Directors and Supervisory Board referred to in Article 2 of Law No. 28/2009 of 19 June, shall contain, in addition to the content therein stated, adequate information on: <i>i) which groups of companies the remuneration policy and practices of which were taken as a baseline for setting the remuneration ii) the payments for the dismissal or termination by agreement of the Directors' duties.</i></p>	Yes	<p>A statement on the remuneration policy of the Board of Directors and Supervisory Board is annexed to this report, as referred to in point II.30.</p> <p>This statement clarifies that directors' remuneration is established without taking other companies' (or groups of companies') remuneration policies or practices as a baseline, and that no payments were made for the or consensual termination or dismissal of directors in 2010.</p>
27	<p>II.1.5.3 The remuneration policy statement referred to in Article 2 of Law No. 28/2009 shall also include the directors' remunerations which contain an important variable component, within the meaning of Article 248-B/3 of the Securities Code. The statement shall be detailed and the policy presented shall particularly take into account the long-term performance of the company, compliance with the rules applicable to its business and restraint in taking risks.</p>	n/a	<p>Pursuant to point II.29, only the members of Novabase's Board of Directors are considered managers, within the meaning of Article 248-B/3 of the Securities Code.</p>
28	<p>II.1.5.4 A proposal shall be submitted at the General Meeting on the approval of plans for the allotment of shares and/or options for share purchase or further yet on the variations in share prices, to members of the Board of Directors and Supervisory Board and other managers within the context of Article 248/3/B of the Securities Code. The proposal shall mention all the necessary information for its correct assessment.</p>	Yes	<p>To date, Novabase has implemented 4 plans for options to allot, subscribe and/or purchase shares, which have always been approved at General Meetings of Shareholders. (see point I.18 and III.10.)</p> <p>There are no retirement benefit plans for members of the</p>

	The proposal shall contain the regulation plan or in its absence, the plan's general conditions. The main characteristics of the retirement benefit plans established for members of the Board of Directors and Supervisory Board and other managers within the context of Article 248/3/B of the Securities Code, shall also be approved at the General Meeting.		management and supervisory boards or other directors of Novabase (see points I.18 and II.31).
29	II.1.5.6 At least one of the Remuneration Committee's representatives shall be present at the Annual General Meeting of Shareholders.	Yes	Francisco Luís Murteira Nabó, as Chairman of the Remuneration Committee, and João Quadros Saldanha, as a member of this committee, were present at the 2010 General Meeting of Shareholders (see point I.15).
30	II.1.5.7. The amount of remuneration received, as a whole and individually, in other companies of the group and the pension rights acquired during the financial year in question shall be disclosed in the Annual Report on Corporate Governance.	n/a	This recommendation ceased with the new duties of information disclosure established by art. 3 of CMVM Regulation nº 1/2010. Nevertheless, Novabase directors are paid exclusively by this entity, and do not receive additional remuneration of any kind from other companies that are controlled by or part of the Novabase Group. There are no supplementary pension or early retirement schemes for Novabase directors (see point II.31).
II.2. BOARD OF DIRECTORS			
31	II.2.1 Within the limits established by Law for each Management and Supervisory structure, and unless the company is of a reduced size, the Board of Directors shall delegate the day-to-day running and the delegated duties should be identified in the Annual Report on Corporate Governance.	Yes	The Board of Directors has delegated the day-to-day running of the company to the Executive Committee. (see point II.3.)
32	II.2.2 The Board of Directors shall ensure that the company acts in accordance with its goals, and should not delegate its duties, namely in what concerns: i) definition of the company's strategy and general policies; ii) definition of the corporate structure of the group; iii) decisions taken that are considered to be strategic due to the amounts, risk and particular characteristics involved.	Yes	Novabase's Board of Directors does not delegate any of these responsibilities. (see point II.3.)
33	II.2.3 Should the Chairman of the Board of Directors carry out executive duties, the Board of Directors shall set up efficient mechanisms for coordinating non-executive members that can ensure that these be able to decide in an independent and informed manner, and furthermore shall explain these mechanisms to the shareholders in the corporate governance report.	n/a	-
34	II.2.4 The annual management report shall include a description of the activity carried out by the non-executive Board Members and shall mention any restraints encountered.	Yes	A summary of the activity carried out by the non-executive directors, who encountered no restraints in this regard, is attached to this report. (see point II.17.)
35	II.2.5. The company shall mention its rotation of functions policy on the Board of Directors, including the person responsible for the financial function, and report on same in the Annual Corporate Governance Report.	Yes	Novabase currently has no formal rotation of functions policy for Board of Directors, specifically with regard to the individual in charge of the financial function. Meanwhile, it should be noted that, although no formal policy exists in this regard, Novabase has significantly and frequently rotated the holders of executive positions, as described in point II.11.
II.3 CHIEF EXECUTIVE OFFICER (CEO), EXECUTIVE COMMITTEE AND EXECUTIVE BOARD OF			

	DIRECTORS		
36	II.3.1 When Directors that carry out executive duties are requested by other Board Members to supply information, the former shall do so in a timely manner and the information supplied must adequately suffice the request made.	Yes	All the information requested by the various corporate boards was supplied by the Novabase executive directors in a timely and suitable fashion. (see point II.3.)
37	II.3.2 The Chairman of the Executive Committee shall send the convening notices and minutes of the meetings to the Chairman of the Board of the Directors and, when applicable, to the Chairman of the Supervisory Board or the Auditing Committee.	Yes	The Chairman of the Novabase Executive Committee is responsible for submitting the minutes of the Executive Committee meetings to the Chairman of the Board of Directors and Chairman of the Auditing Committee. In addition, the Chairman of the Board of Directors may attend Executive Committee meetings, without voting rights, and also receives the respective meeting notices for this purpose, which are also sent to the Chairman of the Auditing Committee. Lastly, all remaining non-executive directors receive these minutes as well. (see point II.13.)
38	II.3.3 The Chairman of the Executive Board of Directors shall send the convening notices and minutes of the meetings to the Chairman of the General and Supervisory Board and to the Chairman of the Financial Matters Committee.	n/a	-
	II.4. GENERAL AND SUPERVISORY BOARD, FINANCIAL MATTERS COMMITTEE, AUDIT COMMITTEE AND AUDIT BOARD		
39	II.4.1 Besides carrying out its supervisory duties, the General and Supervisory Board shall advise, follow-up and carry out an on-going assessment on the management of the company by the Executive Board of Directors. Besides other subject matters, the General and Supervisory Board shall decide on: <i>i) the definition of the strategy and general policies of the company; ii) the corporate structure of the group; and iii) decisions taken that are considered to be strategic due to the amounts, risk and particular characteristics involved.</i>	n/a	-
40	II.4.2 The annual reports and financial information on the activity carried out by the General and Supervisory Committee, the Financial Matters Committee, the Audit Committee and the Audit Board shall be disclosed on the company's website together with the financial statements.	Yes	The annual report on the activity carried out by the Auditing Committee is subject to publication on Novabase's website. (see point II.4.)
41	II.4.3 The annual reports on the activity carried out by the General and Supervisory Board, the Financial Matters Committee, the Audit Committee and the Audit Board shall include a description on the supervisory activity and shall mention any restraints that they may have come up against.	Yes	See 2010 Auditing Committee Activity Report annex (referred to in point II.4).
42	II.4.4 The General and Supervisory Board, the Auditing Committee and the Board of Auditors (depending on the applicable model) shall represent the company for all purposes at the external auditor, and shall propose the services supplier, the respective remuneration, ensure that adequate conditions for the supply of these	Yes	The Auditing Committee, under its operating regulations, has the capacities, duties and responsibilities described in this recommendation (see point II.3.)

	services are in place within the company, as well as being the liaison officer between the company and the first recipient of the reports.		
43	II.4.5 According to the applicable model, the General and Supervisory Board, Auditing Committee and Board of Auditors shall assess the external auditor on an annual basis and advise the General Meeting that he/she be discharged whenever justifiable grounds are present.	Yes	<p>Each year, in the annex of its Activity Report, the Auditing Committee assesses the external auditor (see point II.4.).</p> <p>To date, there has been no need to justifiably dismiss any entity performing the duties of external auditor; the General Meeting of Shareholders would not be responsible for such dismissal (see point II.24).</p>
44	II.4.6. The internal audit services and those that ensure compliance with the rules applicable to the company (compliance services) shall functionally report to the Audit Committee, the General and Supervisory Board or in the case of companies adopting the Latin model, an independent director or Board of Auditors, regardless of the hierarchical relationship that these services have with the executive management of the company.	No	<p>Novabase does not submit these services to a direct reporting to the Audit Committee, adopting a system which renders the control of constraints more agile, through a Chief Risk Officer (CRO) to whom these services report in what concerns risk prevention and management. The CRO has the duty to report to the Chairman of the Board of Directors and there have been established meetings between the CRO the Audit Committee and the Chairman of the Board of Directors at least once a trimester (see point II.6)</p>
II.5. SPECIAL COMMITTEES			
45	II.5.1 Unless the company is of a reduced size and depending on the adopted model, the Board of Directors and the General and Supervisory Committees, shall set up the necessary Committees in order to: <i>i) ensure that a competent and independent assessment of the Executive Directors' performance is carried out, as well as its own overall performance and further yet, the performance of all existing committees; ii) study the adopted governance system and verify its efficiency and propose to the competent bodies, measures to be carried out with a view to its improvements; iii) in due time identify potential candidates with the high profile required for the performance of director's duties.</i>	Yes	<p>Novabase has a Board of Directors Performance Assessment Committee and a Corporate Governance Assessment Committee; the former assesses the performance of the Board of Directors itself, and of all of its committees.</p> <p>In view of the specific characteristics of the governance model adopted by the company and its size, the shareholders themselves have ensured a suitable definition of the profile of potential candidates for director positions. (see point II.3.)</p>
46	II.5.2 Members of the Remuneration Committee or alike shall be independent from the Members of the Board of Directors and include at least one member with knowledge and experience in matters of remuneration policy.	No	<p>Members of the Remuneration Committee are independent from the members of the Board of Directors, pursuant to the generally accepted criteria for gauging the independence between the members of these two committees.</p> <p>However, in view of Recommendation No. II.5.3. of the 2010 Corporate Governance Code, one member may be considered a non-independent member of the Remuneration Committee in relation to the members of Novabase's Board of Directors.</p> <p>Notwithstanding the above, Novabase wishes to emphasize that since the Remuneration Committee's current members were appointed to their positions for the three-year</p>

			period of 2009-2011, it seems inappropriate to make any changes at this time to this committee's composition before the end of the current term. (see section V)
47	II.5.3 Any natural or legal person that provides or has provided, over the past three years, services to any structure subject to the Board of Directors, to the Board of Directors of the company or that has to do with the current consultant to the company shall not be recruited to assist the Remuneration committee. This recommendation also applies to any natural or legal person who has an employment contract or provides services.	Yes	None of these situations apply to the entities contracted to support the Remuneration Committee (see point II.39).
48	II.5.4 All the Committees shall draw up minutes of the meetings held.	Yes	The corporate boards and specialized committees draw up their own meeting minutes (see point II.13).
	III. INFORMATION AND AUDITING		
	III.1 GENERAL DISCLOSURE DUTIES		
49	III.1.1 Companies shall maintain permanent contact with the market thus upholding the principle of equality for shareholders and ensure that investors are able to access information in a uniform fashion. To this end, the company shall create an Investor Assistance Unit.	Yes	Novabase provides permanent support to the capital market. The Investor Relations Office represents Novabase in its dealings with the CMVM and investors, including contact with private and institutional, foreign and Portuguese investors. The office provides information through Novabase's website, with links of interest for investors containing relevant information by investor profile (financial information, financial calendar, reserved information, area reserved for General Meetings of Shareholders and the postal/electronic voting model – the latter available since 2006 – among others). (see point III.16.)
50	III.1.2 The following information that is made available on the company's Internet website shall be disclosed in the English language: a) The company, public company status, headquarters and remaining data provided for in Article 171 of the Commercial Companies Code; b) Articles of Association; c) Credentials of the members of the Board of Directors and the Market Liaison Officer; d) Investor Assistance Unit – its functions and access tools; e) Accounts Reporting documents; f) Half-Yearly Calendar on Company Events; g) Proposals sent through for discussion and voting during the General Meeting of Shareholders; h) Notices convening General Meetings of Shareholders.	Yes	This information is available in Portuguese and English on Novabase's website (www.novabase.pt) (see point III.16).
51	III.1.3. Companies shall advocate the rotation of auditors after two or three terms for four or three year terms, respectively. Their continuance beyond this period must be based on a specific opinion by the supervisory board that expressly considers the conditions of auditor independence and the benefits and costs of replacement.	Yes	See point III.18
52	III.1.4. The external auditor must, within its powers, verify the implementation of remuneration policies and systems, the efficiency and functioning of internal control mechanisms and report any shortcomings to the company's supervisory board.	Yes	The external auditor assumes these duties, as described in point III.17.
53	III.1.5. The company shall not recruit the external auditor for services other than audit services, nor any entities with which same takes part or	Yes	Services contracted other than auditing services are described in point III.16; these are subject to

	incorporates the same network. Where contracting such services is called for, said services should not be greater than 30% of the total value of services rendered to the company. The hiring of these services must be approved by the supervisory board and must be expounded in the Annual Corporate Governance Report.		approval by the Auditing Committee, and did not exceed 10% of all auditing services in value (see point III.17).
	IV. CONFLICTS OF INTEREST		
	IV.1 SHAREHOLDER RELATIONSHIP		
54	IV.1 Where deals are concluded between the company and shareholders with qualifying holdings, or entities with which same are linked in accordance with Article 20 of the Securities Code, such deals shall be carried out in normal market conditions.	Yes	No business deals or transactions were conducted between the company and owners of qualified holdings, or entities in any way related to them, outside of normal market conditions (see point III.12).
55	IV.1.2 Where deals of significant importance are undertaken with holders of qualifying holdings, or entities with which same are linked in accordance with Article 20 of the Securities Code, such deals shall be subject to a preliminary opinion from the supervisory board. The procedures and criteria required to define the relevant level of significance of these deals and other conditions must be established by the supervisory board.	No (for the year 2010) Now implemented	During 2010 there was not sufficient information gathered to establish rules in this matter to ensure an effective, rigorous and agile participation by the Audit Committee in the business assessment in question. It has been since then possible to adequately establish such rules and a regulation was approved on 31 March 2011 which submits deals of significant importance undertaken with qualified shareholders, or entities in any way related to them, in accordance with art. 20 of the Securities Code, to a preliminary opinion from the Audit Committee, in accordance with the procedures and criteria described in point III.13.

ASSESSMENT OF THE GOVERNANCE MODEL

At the General Meeting of Shareholders held on 12 April 2007, Novabase shareholders approved adoption of the Anglo-Saxon governance model, which includes a Board of Directors, an Auditing Committee consisting of directors and elected by the General Meeting of Shareholders, and a Statutory Auditor. The corporate governance structure adopted by Novabase also includes a Remuneration Committee that establishes the remuneration of the members of all of the company's corporate boards, except for itself. Subsequent to the General Meeting of Shareholders' approval of the current corporate governance model, the Board of Directors created an Executive Committee to which it has delegated Novabase's day-to-day running. In addition, after increasing the number of non-executive members of the Board of Directors elected in the General Meeting of Shareholders of 28 April 2009, two specialized committees were also created within the Board of Directors: a Board of Directors Performance Assessment Committee and a Corporate Governance Assessment Committee.

The non-executive members of the Board of Directors have monitored the Executive Committee's activities, supported by the specialized committee mentioned above (the Board of Directors Performance Assessment Committee) since the 2009 General Meeting of Shareholders. Similarly, members of the Board of Directors have reflected on the adopted corporate governance system, also supported by a specialized committee (the Corporate Governance Assessment Committee) since the 2009 General Meeting of Shareholders. In these activities, the role of the Chairman of the Board of Directors has been essential in terms of the attention given to the operation of Novabase's corporate governance system, with a concern for ensuring that non-executive members of the Board of Directors receive information on the activities of the Executive Committee through the distribution of Executive Committee meeting minutes, answering all of the non-executive directors' questions and scheduling all issues requiring the Board of Directors' attention at its meetings.

Taking into account the various contributions received, particularly from the Corporate Governance Assessment Committee, together with the assessment that the members of the Board of Directors have made of the company's governance model, the Board believes that the Novabase governance model has adequately performed its corporate governance functions, having shown to be suited to the company's needs and size, no hindrances having been found in terms of its functioning.

Notwithstanding the above, it should be noted that Novabase bore in mind the provisions of Recommendation no. II.5.1 of the Corporate Governance Code, under which (unless the company's small size dictates otherwise) committees should be created to identify, in a timely manner, potential candidates with the high profile needed for the position of director.

Novabase did not implement any specialized committee to this end, in view of its size and the specific nature of its corporate governance model; an adequate definition does exist for the profile of candidates for management positions and selection of members to be elected by shareholders.

CHAPTER 1: GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders is Novabase's highest decision-making body.

The General Meeting of Shareholders met once in 2010 (on 29 April) to examine, discuss and vote on the following matters:

1. Item One: Decide on the 2009 Annual Report and Accounts;
2. Item Two: Decide on the proposal for the allocation of profits;
3. Item Three: Decide on a decrease in share capital to €10,048,446.08 by means of a reduction in the face value of all shares representing share capital, resulting in a face value of €0.32 per share and an amendment to Article 4 (1) and (2) of the articles of association. The purpose of the capital decrease is to release excess capital.
4. Item Four: Decide on an increase in share capital to €15,700,697, via incorporation of €5,652,250.92 from the issue premium reserve, by increasing the face value of all shares representing share capital by €0.18, resulting in a face value of €0.50 per share and an amendment to Article 4 (1) and (2) of the articles of association;
5. Item Five: Conduct a general appraisal of the company's administration and auditing;
6. Item Six: Decide on the remuneration of members of the Remuneration Committee;
7. Item Seven: Decide on the Remuneration Committee report on the 2009 remuneration policy, and approve the remuneration policy of members of the company's managing and auditing boards, pursuant to Law no. 28/2009 of 19 June and other applicable norms;
8. Item Eight: Decide on the acquisition and sale of treasury shares;
9. Item Nine: Assess the company's corporate governance model.

Shareholders owning more than 61% of the share capital attended the meeting, and all the items on the agenda were approved by more than 99% of the votes.

1.1 Identification of the officers of the General Meeting of Shareholders

The current officers of the Novabase General Meeting of Shareholders are Chairman António Manuel de Carvalho Ferreira Vitorino and Secretary Maria José Santana.

The Chairman of the General Meeting of Shareholders has the necessary and appropriate means to exercise his duties, having access to a work room and secretarial services at the company. In addition, the Chairman of the General Meeting of Shareholders has 10 people (7 of whom are from the company's staff) at his disposal dedicated to work specifically on the organization and management of the General Meeting of Shareholders.

1.2 Indication of the start date and duration of the terms

The Chairman and Secretary of the General Meeting of Shareholders were elected at the General Meeting of Shareholders of 28 April 2009, both for the three-year term from 2009-2011. Both end their term of office on 31 December 2011.

1.3 Remuneration of the Chairman of the General Meeting of Shareholders

The Chairman of the General Meeting of Shareholders is remunerated according to attendance in the amount of €1,000.

1.4 Advanced notice required for the blocking of shares and permission to participate in the General Meeting of Shareholders

As regards this point, it must be noted that, with the entry into force of Decree Law no. 49/2010 of 19 May, which introduced a number of changes to the Commercial Companies Code and Securities Code, namely regarding rules for preparing and holding General Meetings of Shareholders for issuers of securities admitted to trading in regulated markets, the former system for blocking shares to participate in the General Meeting of Shareholders has been replaced by the current registry date system.

As such, and in compliance with the public notice for the Novabase General Meeting of Shareholders to be held on 5 May 2011, no advance notice will be required for the blocking of shares; instead, in accordance with applicable legal rules and CMVM "Recommendations" vis-à-vis the new system for participation in General Meetings of Shareholders for companies with shares listed in regulated markets, which have been published at the respective website, shareholders wishing to take part in the General Meeting of Shareholders must do the following:

- (i) Have registered, in a securities account opened in their name with a financial agent, at 12:00 am (GMT) on the fifth trading day before the date of the General Meeting of Shareholders, shares granting at least one vote by law and by contract; and
- (ii) Follow the instructions in notices for the General Meeting of Shareholders regarding the way in which shareholders must prove their right to take part in the General Meeting of Shareholders and thereby discuss and vote, namely the means of sending required information and respective deadlines.

In addition to the above, it should be noted that, under agenda item 4 of the General Meeting of Shareholders of 5 May 2011, the Board of Directors is proposing to shareholders that Novabase's articles of association be amended, specifically Article 9 (2) to (4), to adapt these to the extent appropriate to current legal rules and procedures, and already adopted in the notice for this General Meeting of Shareholders.

1.5 Rules applicable to the blocking of shares in the event of suspension of the General Meeting of Shareholders

Since the share blocking system has now been replaced by the registry date system, Novabase no longer has rules for the blocking of shares in the event of suspension of the General Meeting of Shareholders.

1.6 Number of shares corresponding to one vote

Pursuant to Article 9 of the company's articles of association, only shareholders with voting rights may attend the General Meeting of Shareholders.

To ensure greater shareholder involvement in the company, particularly through attendance at Novabase's General Meeting of Shareholders, the Board of Directors proposed an amendment to the articles of association, which was approved at the General Meeting of Shareholders of 12 April 2007, by which each share would correspond to one vote. As such, under the terms of the current wording of Article 9 (5) of the Novabase articles of association, one share corresponds to one vote.

This ensures a proportional balance between voting rights and shareholder involvement, using the preferential method referred to in Recommendation no. 1.3.3 of the Corporate Governance Code.

1.7 Indication of the articles of association rules which envisage the existence of shares that do not confer voting rights or which enable voting rights over a certain number not to be counted, when issued by a single shareholder or shareholders related thereto

There are no articles of association rules which envisage the existence of shares that do not confer voting rights or which enable voting rights over a certain number not to be counted, when issued by a single shareholder or shareholders related thereto.

1.8 Existence of articles of association rules regarding exercising the right to vote, including constitutive and decision-making quorum or systems related to asset content rights

Novabase has encouraged shareholders to participate and exercise their voting rights at General Meetings of Shareholders, and representation of shareholders at the meetings has been duly provided for and regulated in the company's articles of association.

In fact, shareholders requiring representation may send a letter addressed to the chairperson of the General Meeting of Shareholders at least three days before the date set for the meeting.

In this regard, however, it should be noted that Decree Law no. 49/2010 of 19 May changed Article 380 (1) of the Commercial Companies Code, which now states that the memorandum of association may not even limit (much less prohibit) shareholders' participation in the General Meeting of Shareholders via a representative.

In view of this change, the Board of Directors proposed to the upcoming General Meeting of Shareholders of 5 May 2011 that Article 9 (7) of the articles of association now state that shareholders may be represented at the General Meeting of Shareholders pursuant to the terms of the law, without further specification, to ensure full compliance with the new wording of this article of the Commercial Companies Code.

Similarly, in view of the new legal provision, the notice for the upcoming General Meeting of Shareholders of 5 May 2011 has already adopted this new rule, stating that shareholders may be represented at the General Meeting of Shareholders pursuant to the terms of the law, with no specification with regard to representatives.

Proxy forms are provided to shareholders in a timely fashion on the Novabase website (www.novabase.pt).

As stated in point I.6. of this report, with the entry into force of Decree Law no. 49/2010 of 19 May, the notice for the General Meeting of Shareholders of 5 May 2011 now specifies that shareholders wishing to take part in the meeting must:

- (i) Have registered, in a securities account opened in their name with a financial agent, at 12:00 am (GMT) on the fifth trading day before the date of the General Meeting of Shareholders, shares granting at least one vote by law and by contract; and
- (ii) Follow the instructions in notices for the General Meeting of Shareholders regarding the way in which shareholders must prove their right to take part in the General Meeting of Shareholders and thereby discuss and vote, namely the means of sending required information and respective deadlines.

Moreover, also as stated in point I.6. of this report, under agenda item 4 of the General Meeting of Shareholders of 5 May 2011, the Board of Directors is proposing to shareholders that Novabase's articles of association be amended, specifically Article 9 (2) to (4), to adapt them to the extent appropriate to current legal rules and procedures on the registry date system, and already adopted in the notice for this General Meeting of Shareholders.

Along these lines, it should be noted that the provisions of Article 9 (5) of Novabase's articles of association – which state that one share corresponds to one vote – remain in effect.

If the shares are jointly owned, only a common representative, or his/her representative, may participate in the General Meeting of Shareholders.

Novabase shareholders may also exercise their right to vote by post and by electronic means, as further explained below.

Under Article 10 of the articles of association, the General Meeting of Shareholders deliberates subsequent to a first notice or a second one, making decisions by a majority of the votes issued, notwithstanding the requirement of qualified majority in the cases provided for by law and under the current articles of association.

As such, the constitutive and decision-making quorum for the General Meeting of Shareholders stipulated in the Novabase articles of association is no different from that stipulated in the Commercial Companies Code.

Moreover, it should be noted that no systems related to asset content rights have been implemented.

1.9 Existence of various articles of association rules regarding the right to postal voting

Article 9 (9) of the Novabase articles of association governs postal voting.

Shareholders with voting rights may, according to Article 22 of the Securities Code, exercise them by post. The invitations to the General Meeting of Shareholders contain the rules for postal votes, i.e. the requirement that they must be handed in personally at the company's registered office or sent by registered post and received by the third working day prior to the General Meeting of Shareholders. The voting form must be signed by the shareholder and should clearly indicate his or her vote on each item on the meeting's agenda. A legible photocopy of the shareholder's identity card must accompany the voting form. If the shareholder

is a legal person, the voting form must be signed by one of its representatives and his or her signature should be notarized in that capacity.

Votes exercised by post or by electronic means shall be considered as negative votes with regard to any resolution proposals that are presented after the exercise of such votes.

The attendance of the shareholder at the General Meeting of Shareholders will result in the revocation of the postal vote.

I.10 Existence of a form for exercising the right to postal voting

Novabase provides the postal voting form for the General Meeting of Shareholders on the company's website, www.novabase.pt. These have been available for General Meetings of Shareholders since 2003.

I.11 Requirement of a time period spanning between reception of the postal vote and the date of the General Meeting of Shareholders

As mentioned above, in accordance with Article 9 (9c) of the Novabase articles of association, voting forms must be placed in a sealed envelope addressed to the Chairman of the General Meeting of Shareholders, delivered by hand to the company's registered office, or delivered to this office by registered mail by the third working day preceding the date of the General Meeting of Shareholders.

I.12 Electronic voting

Shareholders with voting rights may vote electronically. The rules to be followed for this method of voting (and the means for shareholders to prove their right to take part in the General Meeting of Shareholders and thereby discuss and vote) can be found in the notices convening the General Meetings of Shareholders.

Electronic voting can be done via the company's website (www.novabase.pt). Shareholders with voting rights must register on this site and send a letter to Novabase, before the day of the respective General Meeting of Shareholders, drawn up according to the model given on the site. It must be addressed to the Chairman of the General Meeting of Shareholders, and the signature must be duly notarized (or, in the case of individuals, the signature must be accompanied by a photocopy of the respective identity card). After the aforementioned letter has been sent, Novabase will send the authorization and electronic voting instructions to the e-mail address provided by the shareholder at the time of registration. Electronic voting may take place in the period stipulated in the notice convening the General Meeting of Shareholders.

Votes exercised by electronic means will be considered as negative votes with regard to any resolution proposals that are presented after the exercise of such votes.

The attendance of the shareholder at the General Meeting of Shareholders will result in the revocation of the electronic vote.

I.13 Possibility of shareholders gaining access to excerpts from the minutes of the General Meetings of Shareholders in the company's website within five days after the General Meeting of Shareholders was held

On the date of the General Meeting of Shareholders, a summary of the meeting's deliberations is published on the Novabase website and in the CMVM information disclosure system. In addition, the complete corresponding meeting minutes have been published on the Novabase website within the five days following the meeting since the 2009 General Meeting of

Shareholders.

I.14 Existence of a historical record on the company's website with the resolutions passed at the company's General Meetings of Shareholders, share capital and voting results referring to the previous three years

Novabase maintains a collection of past minutes, including information about the number of people present, number of shareholders represented and the number of institutional investors present, as well as the meetings' agendas and the decisions taken at meetings held over the past three years.

Since the 2010 financial year, Novabase has also provided information on voting results at the General Meeting of Shareholders.

I.15 Indication of the representative(s) from the Remuneration Committee present at General Meetings of Shareholders

Francisco Luís Murteira Nabo, as Chairman of the Remuneration Committee, and João Quadros Saldanha, as a member of this committee, were present at the 2010 General Meeting of Shareholders.

I.16 Information regarding intervention of the General Meeting of Shareholders as regards the company's remuneration policy and assessment of the performance of the members of the board of directors and other managers

As regards the intervention of the Novabase General Meeting of Shareholders concerning the remuneration of the board of directors, since it was introduced as a CMVM recommendation regarding the governance of listed companies in November 2005, this corporate board has assessed and decided on the documents prepared by the Remuneration Committee, either as a separate item on the agenda or as an annex to the management report, and containing the guidelines to be followed by this committee in the following year or for the period deemed most appropriate.

With regard to assessing the performance of the members of the Board of Directors, after increasing the number of non-executive members of the Board of Directors elected in the General Meeting of Shareholders of 28 April 2009, a Board of Directors Performance Assessment Committee was established with the following powers: (i) Assist the Board of Directors in the assessment of its overall performance; (ii) Assess the performance of the Executive Committee with respect to how it has been conducting Novabase's annual plan and budget passed by the Board of Directors at the start of each year, together with the degree of success in achieving their corresponding goals; (iii) Assess the performance of the Board of Directors' other specialized committees, namely the Auditing Committee, Corporate Governance Assessment Committee and its own performance. To carry out its duties, the Board of Directors Performance Assessment Committee asks other committees for a self-evaluation of their own performance, and submits an annual written evaluation report on the performance of the Board of Directors and of these committees before the date of the Board of Directors' approval of the annual report and accounts.

In addition to the assessment method described above, and prior to the establishment of this Board of Directors Performance Assessment Committee, the activity of executive directors was monitored continuously by non-executive directors, in collaboration with the Chairman of the Board of Directors, who is responsible for providing information regarding the company's business required to ensure monitoring of the activity of the executive directors. This monitoring of executive directors by non-executive directors continues to be a current practice at Novabase.

Lastly, it is important to point out that only the members of Novabase's Board of Directors are considered managers, within the meaning of Article 248-B (3) of the Securities Code; as such, there is no separate information to be disclosed in this regard.

I.17 Information of the intervention by the General Meeting of Shareholders on matters concerning the proposal on the share allocation plan, and/or stock option plans, or based on share price fluctuations, the members of the Board of Directors, Supervisory Board and other Directors, within the meaning of Article 248-B (3) of the Securities Code together with the details provided to the General Meeting of Shareholders for the purposes of correctly assessing said plans

All four plans for options to allot, subscribe for and/or purchase shares implemented at Novabase since 2000 have been subject to the approval of the General Meeting of Shareholders.

On 28 April 2009, the General Meeting of Shareholders approved a plan for the option to allot shares to members of Novabase's Board of Directors, for the years 2009 to 2011, under the terms described in greater detail in point III.10 of this corporate governance report. The complete version of the proposed regulations for this plan was provided to the General Meeting of Shareholders so that shareholders could properly evaluate it.

I.18 Information of the intervention by the General Meeting of Shareholders on matters concerning the approval of the main features of the retirement benefit system as enjoyed by the members of the Board of Directors, Supervisory Board and other Directors, within the meaning of Article 248-B (3) of the Securities Code

As stated in point II.31 of this report, the company has adopted no retirement benefit system for members of managing boards. Moreover, no such system applies to members of supervisory boards. As stated earlier, only Novabase's directors are considered managers, pursuant to Article 248-B (3) of the Securities Code.

I.19 Existence of statutory provision that envisages for a duty to be subject, at least every five years, to a resolution by the General Meeting of Shareholders, for the maintenance or withdrawal of the statutory provision providing for the limitation of the number of votes capable of being held or exercised by a single shareholder individually or together with other shareholders

Novabase's articles of association have no statutory provision that envisages a limitation of the number of votes capable of being held or exercised by a single shareholder individually or together with other shareholders. As such, the maintenance or withdrawal of such measures is not subject, at least every five years, to a resolution by the General Meeting of Shareholders.

I.20 Defensive measures that automatically cause serious erosion in the company's assets in the event of the transfer of control or changes to the composition of the board

Measures of this sort, and measures aimed at preventing successful takeover bids without respect for company and shareholder interests, do not exist.

I.21 Significant agreements that the company is a party to and will come into force in the future which can be altered or terminated in the event of a change in the

control of the company, along with the respective effects, unless, by their very nature, their disclosure is seriously harmful to the company, except if the company is specifically obliged to disclose such information as a result of legal requirements

These do not exist.

I.22 Agreements between the company and members of the board of directors and administrators under Article 248-B (3) of the Securities Code that provide for compensation in the event of resignation, termination without just cause or termination of the employment relationship following a change in the company's control

These do not exist.

Chapter II: Managing and Auditing Bodies

Section I – General Points

II.1 Identification and composition of the company's corporate boards

The managing and auditing bodies of Novabase are the Board of Directors, the Auditing Committee and the Statutory Auditor.

The figure illustrates the composition of the Board of Directors elected for the 2009-2011 three-year term.

Rogério Santos Carapuça
Luís Paulo Cardoso Salvado
João Nuno da Silva Bento
Álvaro José da Silva Ferreira
Nuno Carlos Dias dos Santos Fórneas
Francisco Paulo Figueiredo Morais Antunes
Luís Fernando de Mira Amaral
Manuel Alves Monteiro
João Luis Correia Duque
José Afonso Oom Ferreira de Sousa
Joaquim Sérvulo Rodrigues
Pedro Miguel Quinteiro Marques Carvalho

The Audit Committee is currently comprised of Luís Fernando de Mira Amaral (Chairman), Manuel Alves Monteiro (member) and João Luís Correia Duque (member). All members of the Auditing Committee are non-executive and independent from the Board of Directors.

The Novabase statutory auditing body has as its active member the official auditing firm Price Waterhouse Coopers & Associados - SROC, represented by Jorge Manuel Santos Costa or Ana Maria Ávila de Oliveira Lopes Bertão, and with César Abel Rodrigues Gonçalves as substitute statutory auditor.

II.2 Identification and composition of other committees equipped with skills related to administering or auditing the company

Within the scope of the committees equipped with corporate administrative qualifications, the Board of Directors has created the Executive Committee following the General Meeting of Shareholders' approval of the current corporate governance model, being the body to which the day-to-day management has been delegated. On 31 December 2010, the Executive Committee was comprised of the following members: Luís Paulo Cardoso Salvado (Chairman), João Nuno da Silva Bento, Álvaro José da Silva Ferreira, Nuno Carlos Dias dos Santos Fórneas and Francisco Paulo Figueiredo Morais Antunes.

During the 2010 financial year, information was provided to the members of the Board of Directors concerning all matters handled and decisions made by the Executive Committee, within the scope of its duties.

In fact, to date, the activity of the Executive Committee has been monitored continuously by non-executive directors, in collaboration with the Chairman of the Board of Directors and the Chairman of the Executive Committee, who is responsible for providing the minutes of the

Executive Committee meetings and all additional information regarding the company's business required to ensure monitoring of the activity of the executive directors.

After increasing the number of non-executive members of the Board of Directors elected in the General Meeting of Shareholders of 28 April 2009, two specialized committees were also created within the Board of Directors: a Board of Directors Performance Assessment Committee and a Corporate Governance Assessment Committee, whose composition, powers and operating rules are shown below.

The Board of Directors Performance Assessment Committee is comprised of the following members: Rogério Santos Carapuça, Luis Paulo Cardoso Salvado, Luís Fernando de Mira Amaral, José Afonso Oom Ferreira de Sousa, Joaquim Sérvulo Rodrigues and Pedro Miguel Quinteiro Marques Carvalho.

The Corporate Governance Assessment Committee is comprised of the following members: Rogério Santos Carapuça, Luis Paulo Cardoso Salvado, Manuel Alves Monteiro, João Luís Correia Duque, José Afonso Oom Ferreira de Sousa and Joaquim Sérvulo Rodrigues.

As stated above, Novabase bore in mind the provisions of the new Recommendation no. II.5.1 of the Corporate Governance Code, under which (unless the company's small size dictates otherwise) committees should be created to identify, in a timely manner, potential candidates with the high profile needed for the position of director.

Novabase did not create any specialized committee to this end in 2010, in view of its size and the specific nature of its corporate governance model; an adequate definition does exist for the profile of candidates for management positions via the shareholders themselves.

II.3 Organizational structure and functional chart relating to the division of powers among the various boards, committees and/or departments within the company, including information on the scope of the delegation of powers, particularly with regard to the delegation of day-to-day management of the company, or distribution of functions among the members of the Board of Directors or Supervisory Board, and a list of non-delegable matters and powers actually delegated

Novabase was organized into three business areas in 2010:

- Novabase Consulting
- Novabase IMS
- Novabase Digital TV

Novabase has a business model which includes partners responsible for primary markets, and practices and structures responsible for product/service development and delivery.

These markets are as follows:

- Financial Services
- Government & Healthcare
- Telecommunications & Media
- Energy & Utilities
- Transportation & Logistics

Novabase Consulting operated with the following practices:

- Advanced Custom Development
- Business Intelligence

- Telecommunications & Media Solutions
- Enterprise Applications
- Core Financial Solutions
- IT Contracting

Novabase IMS operated with the following practices in 2010:

- Intelligent Infrastructures
- IT Management
- Managed Services
- Ticketing

In 2010, Novabase Digital TV had a single practice.

Novabase Capital

Novabase Capital is not a business area, but rather a support structure that serves the needs of Novabase's business. It combines Novabase's corporate venture function with the area of mergers and acquisitions, and is able to respond to the needs of the other areas in this dominion. It also manages the venture capital fund called FCR – Novabase Capital, established with the support of the PRIME program and co-funding from the European Union via the ERDF – European Regional Development Fund, in partnership with the IAPMEI – Instituto de Apoio às Pequenas e Médias Empresas e à Inovação (Institute for the Support of Small and Medium-Sized Enterprises and Innovation) of the Ministry of the Economy and Innovation.

Meanwhile, on 17 February 2011, it was announced that the following venture capital funds will be created, focusing on investments in technology-based SMEs in the area of information technologies: (i) Novabase Capital Inovação e Internacionalização, with a maximum provision of €10.1 million and a contribution of €5.1 million from Novabase Capital; and (ii) Novabase Capital Early Stage, with a maximum provision of €1.26 million and a contribution of €0.76 million from Novabase Capital.

Novabase Capital will also be investing €0.3 million in the IStart I venture capital fund, aimed at supporting projects with relevant technology content currently in the proof-of-concept phase, and with a maximum provision of €5.02 million.

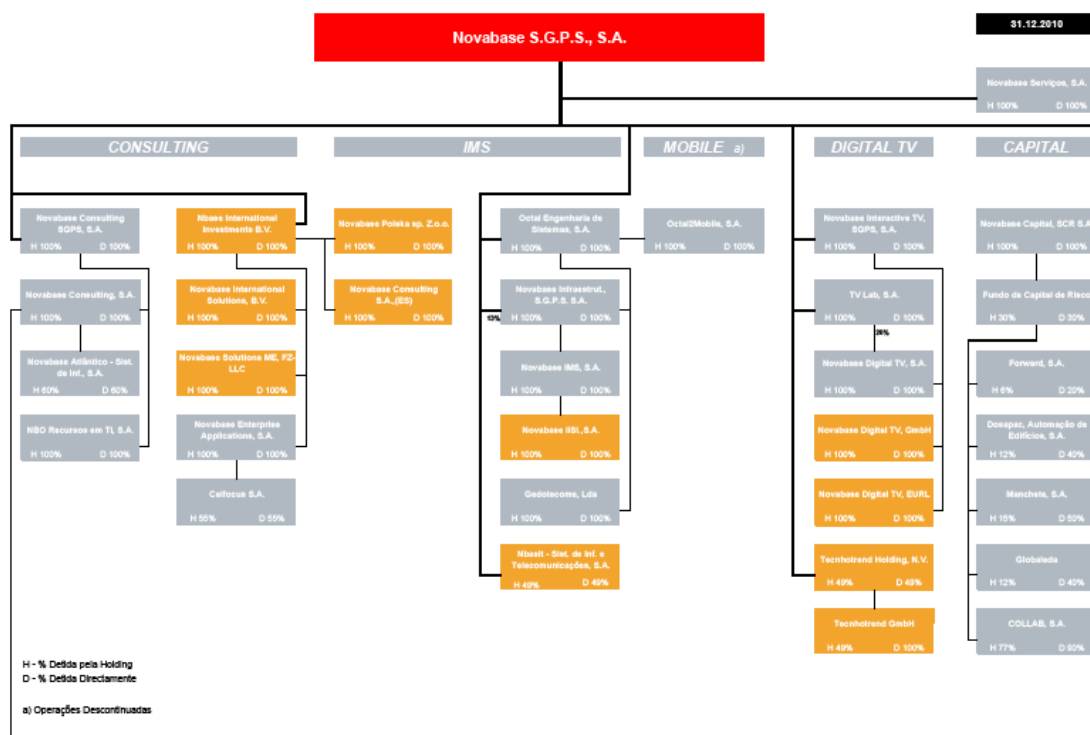
Novabase SGPS / Novabase Services

Novabase SGPS and Novabase Services control the central functional areas: Human Resources, Finance & Administration, IT, Marketing & Communication and Legal. Novabase SGPS directly controls the investor relations function, including the Investor Relations Office.

Information on the Investor Relations Office can be found in point III.15 of this report.

Organizational Chart

Each of the aforementioned organizational units corresponds to a company or a group of companies. The attached organizational chart includes all the companies within the consolidation perimeter of Novabase.



The adoption of an Anglo-Saxon corporate governance model was approved at the General Meeting of Shareholders of 12 April 2007. In light of amendments to the Commercial Companies Code under Decree-Law no. 76-A/2006 of 29 March, the Board of Directors submitted a proposal at this General Meeting of Shareholders (which was approved) to change the articles of association so that Novabase could adopt the Anglo-Saxon corporate governance model by institutionalizing the Auditing Committee as a board according to the articles of association for supervising company activities, consequently eliminating the Board of Auditors. In this way, the company's new corporate governance model was comprised of a Board of Directors, an Auditing Committee and a Statutory Auditor.

In addition, after increasing the number of non-executive members of the Board of Directors elected in the General Meeting of Shareholders of 28 April 2009, two specialized committees were also created within the Board of Directors: a Board of Directors Performance Assessment Committee and a Corporate Governance Assessment Committee.

The powers, operation and composition of the General Meeting of Shareholders, Board of Directors, Executive Committee, Auditing Committee and Statutory Auditor, together with those of the Board of Directors Performance Assessment Committee and the Corporate Governance Assessment Committee, are described below. Lastly, the powers, composition and operation of the Remuneration Committee are detailed.

Corporate Boards and other committees -- powers

The General Meeting of Shareholders: Novabase's highest decision-making board. This corporate board meets at least once every year to decide on the Annual Report and Accounts, as well as on the proposal for allocation of profits, generally assessing the company's management and auditing and electing the persons it is responsible for electing.

The General Meeting of Shareholders meets and makes decisions in accordance with the provisions of the law and Novabase's articles of association, as described in Chapter I.

The 2010 General Meeting of Shareholders was held on 29 April 2010.

Board of Directors: Responsible for ensuring the general interests of the company, exercising all powers under the law and the articles of association, and performing all actions necessary or appropriate toward the pursuit of its corporate purpose. It worked entirely within its remit and in compliance with the guidelines laid down and approved for this financial year, which are reflected in this report.

The Board of Directors has general powers to act in pursuit of the company's corporate and business interests, within the confines of the law, the articles of association and the decisions of the General Meeting of Shareholders and, in particular, to:

- a) Acquire, encumber and sell any rights or movable property as well as to acquire, encumber and sell immovable property, whenever it is deemed appropriate for the company;
- b) Take out loans and carry out any other financing operations in the interest of the company, under such terms and conditions that it deems fit;
- c) Appoint representatives of the company;
- d) Delegate powers to its members, pursuant to Article 14 (4) of the articles of association;
- e) Hire employees, set their conditions of employment and exercise disciplinary power;
- f) Represent the company in and out of court, as plaintiff or defendant, file lawsuits, and make admissions, compromise in them and withdraw from them, and engage in arbitration;
- g) Open, operate and close any of the company's bank accounts, deposit and withdraw money, issue, accept, draw and endorse cheques, bills and promissory notes, invoice statements and any other securities;
- h) Decide on investments in the capital of other companies or on participating in other businesses;
- i) Run the company's businesses and carry out any acts and transactions relating to the corporate purpose that do not fall within the jurisdiction of other company bodies;
- j) Choose its Chairman, when not designated by the General Meeting of Shareholders pursuant to Article 14 (2) of the articles of association;
- k) Co-opt directors;
- l) Ask the Chairman of the General Meeting of Shareholders to convene General Meetings of Shareholders;
- m) Decide on the annual reports and accounts;
- n) Decide that Novabase may provide collateral, personal guarantees and security in rem;
- o) Open or close establishments or major parts thereof;
- p) Undertake important expansion or reduction in the business operations of Novabase;
- q) Implement important modifications in the organization of Novabase;
- r) Establish or end important long-term cooperation with other companies;
- s) Change the registered office and increase the share capital pursuant to the provisions of the articles of association;
- t) Undertake projects to merge, divide and transform Novabase; and
- u) Undertake any other matter on which a Director seeks a decision from the Board of Directors.

As part of its management powers, the Board of Directors is responsible for implementing and

monitoring a suitable internal control and risk management process, working toward its efficacy. The Board of Directors is also responsible for ensuring disclosure of accurate financial information that truthfully reflects the Group's situation at any given moment, in compliance with the norms issued by regulatory entities and applicable at any given moment.

The following figure illustrates the composition of the Board of Directors elected for the three-year period of 2009-2011, together with the primary responsibilities of its members in 2010.

Rogério dos Santos Carapuça	Chairman of the Board of Directors
Luís Paulo Cardoso Salvado	CEO/CHRO/Consulting and Transportation and Logistics Market
João Nuno da Silva Bento	Telco / Capital / Digital TV / Energy Market
Álvaro José da Silva Ferreira	IMS/ NBO / Angola, Azores and Poland
Nuno Carlos Dias dos Santos Fórneas	CIO / CMO / Financial Services Market / Industry and Services Market
Francisco Paulo Figueiredo Morais Antunes	CFO / CRO / CLO / Infrastructures and Facilities / Spain
Luís Fernando de Mira Amaral	Non-executive and independent
Manuel Alves Monteiro	Non-executive and independent
João Luis Correia Duque	Non-executive and independent
José Afonso Oom Ferreira de Sousa	Non-executive
Joaquim Sérvulo Rodrigues	Non-executive
Pedro Miguel Quinteiro Marques de Carvalho	Non-executive

The Board of Directors holds regular meetings once per month, and extraordinary meetings whenever called by its Chairman or by two of its members. This company board cannot function without a majority of its active members present; under urgent circumstances, the Chairman may waive this majority when it can be achieved via postal or proxy voting.

In addition to the attendance methods described above, one or more members of the board may participate via teleconferencing, when duly recorded in the minutes. In this case, directors attending remotely via teleconferencing are considered present at the meeting.

Except when a qualified majority is required by law, the decisions of the Board of Directors are made by simple majority; the Chairman has a casting vote in the event of a tie.

Pursuant to the law, members of the Board of Directors may not vote on matters whose interests conflict with those of Novabase.

Executive Committee: Responsible for the day-to-day running of the company, and may perform all actions required to this end, respecting the powers of the Board of Directors with regard to actions which must be submitted for its approval, namely the matters specified in Article 406 a) through d), f), l) and m) of the Commercial Companies Code. The Executive Committee defines the company's current organizational structure, appoints employees to perform management duties in the corporate boards of this structure and manages all of the company's operating areas.

In accordance with the delegation of powers approved on 27 July 2009, the performance of all actions required for the day-to-day running of the company has been delegated to Novabase's Executive Committee for the three-year period of 2009-2011, including all powers needed or expedient for pursuing the company's corporate purpose and conducting its business, within the confines of the law, namely:

- a) Carry out the annual business plans and corresponding budgets after their approval by Novabase's Board of Directors;

- b) Approve changes to the budget, except when their cumulative impact on the company's consolidated net profit is expected to exceed €1 (one) million in the financial year;
- c) Approve and carry out the company's short, medium and long-term organic development and investment plans, and identify and make investments in existing or new business areas of the company and its affiliates, by means of a budget approved by Novabase's Board of Directors and/or, in the absence of this, provided that (i) individually, they do not exceed €1 (one) million; and (ii) together, €5 (five) million in a given financial year; or (iii) in the case of R&D (research and development) investments or investments with co-funding, covered by applicable tax incentives or subsidies, up to a combined amount of €20 (twenty) million per financial year;
- d) Acquire, encumber and sell holdings in other companies, provided these transactions' general guidelines fall within the annual business plans and respective budgets, or, otherwise, with the prior approval of Novabase's Board of Directors;
- e) Manage holdings in other companies, including affiliates, namely by appointing their representatives on corporate boards and laying out guidelines for these representatives' activities, together with approving and reorganizing these holdings according to the annual business plans, or by prior decision approved by Novabase's Board of Directors;
- f) Notwithstanding legal provisions and formalities, buy and sell treasury shares within the framework and limits of the decision of the General Meeting of Shareholders;
- g) Open, transact and close bank accounts;
- h) Approve short and medium-term financing agreements (12-36 months), including those which increase overall indebtedness, provided that their value is €5 (five) million or less per transaction, or cumulatively €20 (twenty) million per financial year, or of any amount with the prior approval of Novabase's Board of Directors. The Executive Committee must furnish the Board of Directors with an updated debt schedule each month;
- i) Grant medium and short-term loans (and/or shareholder loans) to affiliates for cash-on-hand and other purposes allowed by law, up to the amount of €20 (twenty) million per financial year, or in any amount with the prior approval of Novabase's Board of Directors.;
- j) Acquire, sell and/or encumber company assets, individually up to €1 (one) million, or cumulatively up to €5 (five) million per financial year;
- k) Take or give in lease, and manage the use of, immovable property allocated to the business of the company and/or its affiliates, partially or in whole, in accordance with the budget approved by Novabase's Board of Directors or, apart from a budget, up to a combined annual amount of €1 (one) million;
- l) Manage and coordinate all of the company's operating and business support areas, including but not limited to Human Resources, Finance and Administration, Marketing and Communication, Information Systems, Legal, Organizational Development and Investor Relations, excluding internal auditing boards if/when they exist;
- m) Recruit and dismiss employees, define human resources and occupational health and safety policies, define and implement plans for training, levels, categories, remuneration terms/conditions and other bonuses or salary supplements;
- n) Perform standard activities involving powers as an employer, including but not limited to disciplinary authority and the application of legally admissible employee penalties;
- o) Order/determine the presentation, negotiation and contracting of any supplies of goods and/or services by the company and/or its affiliates within the scope of their corporate purpose, individually up to €20 (twenty) million and/or (i) without a binding obligation of any kind exceeding 15 years; (ii) without terms/conditions deemed of considerable financial, legal and/or commercial risk, attributable to Novabase's Executive Committee, by those in the organization responsible for monitoring or otherwise assisting in the control of this risk;
- p) Contract goods and services of any kind and by any means, as needed to pursue the corporate purpose, up to the amount of €1 (one) million per transaction, or in any amount with the prior approval of Novabase's Board of Directors or associated with the transactions referred to in o);
- q) Take part in incorporated joint ventures and European Economic Interest Groupings, enter into consortium and equity partnership agreements, and establish or take part in any other forms of temporary or permanent association between companies and/or private or public entities, except when their purpose is to participate in projects whose anticipated turnover for the company exceeds €20 (twenty) million;

- r) Represent the company in and out of court, as plaintiff or defendant, including the instituting, contesting and lodging of appeals in any legal or arbitration proceedings, as well as confessing, withdrawing from or coming to terms in any proceedings and engagement in arbitration. The Executive Committee must furnish information on any proceedings involving the company whose amount is equal to or exceeds €1 (one) million; and
- s) Appoint representatives to perform specific acts or categories of acts, defining the scope of their respective powers.

In view of the above, no powers have been delegated involving matters where the Board of Directors must ensure that the company acts in accordance with its objectives, namely: i) definition of the company's strategy and general policies; ii) definition of the corporate structure of the group; and iii) decisions taken that are considered to be strategic due to the amounts, risk and particular characteristics involved.

The Executive Committee was first created by the Board of Directors in 2006, and currently consists of the following members, who have been assigned the jurisdictions and responsibilities indicated below:

Luís Paulo Cardoso Salvado	CEO/CHRO/Consulting and Transportation and Logistics Market
João Nuno da Silva Bento	Telco / Capital / Digital TV / Energy Market
Álvaro José da Silva Ferreira	IMS/ NBO / Angola, Azores and Poland
Nuno Carlos Dias dos Santos Fórneas	CIO / CMO / Financial Services Market / Industry and Services Market
Francisco Paulo Figueiredo Morais Antunes	CFO / CRO / CLO / Infrastructures and Facilities / Spain

The Executive Committee sets the dates or frequency of its ordinary meetings, and holds extraordinary meetings whenever called by its Chairman or by two of its members.

This committee cannot function without a majority of its active members present; under urgent circumstances, the Chairman may waive this majority, with approval of this decision at the Executive Committee's next meeting.

Notwithstanding the above, postal and proxy voting is permitted, although no member of the Executive Committee may represent more than another member of the committee.

Along these lines, one or more members of the Executive Committee may attend remotely via videoconferencing or conference call, so long as the meeting minutes specify this whenever it occurs.

It should also be noted that the Chairman of the Board of Directors is called to Executive Committee meetings under the same terms as its members, and is always entitled to attend Executive Committee meetings without voting rights.

The Executive Committee makes decisions by a majority vote; its Chairman has a casting vote.

Rules involving conflicts of interest apply to the Executive Committee. In fact, Executive Committee members are required to notify the Chairman of the Executive Committee of any potential conflicts of interest with Novabase, whether directly or through third parties, involving issues under discussion and voting. In such cases, the members in question may not exercise their voting rights in decisions on issues with potential conflicts of interest.

All the information requested by the various corporate boards was supplied by the Novabase executive directors in a timely and suitable fashion.

Audit Committee: Comprised of independent non-executive members of the Board of Directors appointed by the General Meeting of Shareholders, the Auditing Committee is responsible for supervising company management and compliance with the law and articles of association, and for issuing an opinion on management's annual report and accounts. Its supervisory powers ensure the independence and quality of company audits in accordance with the best international standards. It also ensures the efficacy of the company's internal control system and monitors the company's fulfilment of principles and best practices involving corporate governance.

This Committee operates within the scope of the Board of Directors and has the following duties:

- a) Propose, at the General Meeting of Shareholders, the appointment of the Statutory Auditor;
- b) Monitor the Statutory Auditor's independence;
- c) Oversee the review of accounts and other company accounting documents, namely the accounting policies and valuation criteria adopted by Novabase, so that these documents lead to a correct appraisal of the assets and results;
- d) Prepare an annual report on its oversight activities, and issue an opinion on the Annual Report and Accounts and proposals submitted by management;
- e) Collaborate with the Board of Directors in selecting external auditors and determining the respective remuneration, as well as supervise these auditors' work, including verification of the existence of suitable conditions for providing external auditing services and receipt of the respective reports, assessing the external auditor on an annual basis;
- f) Ensure the existence of sufficient internal control mechanisms to understand and manage the inherent risks of Novabase's activities;
- g) Monitor the efficacy of the risk management system, internal control system and internal auditing system;
- h) Recommend the adoption of policies and procedures for achieving the goals established in point (g) above to the Board of Directors, and to suggest how these mechanisms may be improved;
- i) Alert the Board of Directors and other corporate boards, depending on the circumstances, to any situations in the company which may be regarded as anomalous, should they exist;
- j) Monitor the preparation and disclosure of financial information;
- k) Take whatever decisions it deems necessary, informing Novabase's Chief Executive Officer (CEO) and Chief Financial Officer (CFO) accordingly, with respect to information about any irregular practices which it receives from shareholders, Novabase employees or others, to the department created specifically for this purpose;
- l) Prepare an annual report, to be submitted to the ordinary General Meeting of Shareholders, describing its activity in the previous financial year and its conclusions;
- m) Comply with other competencies and duties provided for by law and the memorandum of association; and
- n) Prepare reports, define policies and guidelines, create recommendations, implement procedures and execute the necessary measures to fulfil the provisions of these Regulations, national legal and regulatory provisions, recommendations issued by the Portuguese Securities Market Commission, and standards which may be imposed under legislation passed by competent authorities of the European Union concerning the powers and responsibilities of the Auditing Committee as part of the corporate governance principles adopted by Novabase.

In addition, since 31 March 2011, the Audit Committee has performed duties involving preliminary assessments of the business deals to be carried out between the company and the owners of qualified holdings or entity relationships with the former, as envisaged in Article 20 of

the Securities Code. The Audit Committee's duties in this regard are described in point III.13.

It held the compulsory number of meetings in 2010 as required by the articles of association and made all examinations of the accounts that it saw fit as part of its duties. It conducted analyses and made suggestions as deemed necessary. It is currently comprised of Luís Fernando de Mira Amaral (Chairman), Manuel Alves Monteiro and João Luís Correia Duque, all of whom are non-executive voting members of the Board of Directors. All members of the Audit Committee are independent, whether as members of the Board of Directors or as members of the Audit Committee. In addition, the Chairman and other members of the Auditing Committee are adequately capable of carrying out their duties in this company board.

The Audit Committee holds ordinary meetings at least once every two months, or whenever deemed necessary by its Chairman or requested by one of its members. The Chairman of the Auditing Committee is responsible for convening and running its meetings, and has a casting vote.

Decisions of the Audit Committee are made by a majority vote.

In carrying out its duties, the Audit Committee may, whenever deemed necessary, request meetings with the Chairman of the Board of Directors, with the CFO (the director responsible for the financial function), with the Board of Directors or with the Executive Committee.

The Audit Committee may also convene, at its own initiative in carrying out its duties, any management staff, employees or consultants at Novabase, together with external auditors or the Statutory Auditor, to attend, partially or in whole, any of its meetings, to meet individually with any of its members or to provide all information deemed necessary by the Audit Committee.

Statutory Auditor: The Statutory Auditor is responsible for examining the company's accounts, together with supervisory duties involving the ongoing pursuit of the company's corporate purpose. Its active member is Price Waterhouse Coopers & Associados - SROC, represented by Jorge Manuel Santos Costa or Ana Maria Ávila de Oliveira Lopes Bertão, and with César Abel Rodrigues Gonçalves as substitute statutory auditor.

Board of Directors Performance Assessment Committee: Pursuant to its regulations, the Board of Directors Performance Assessment Committee has the following powers: (i) Assist the Board of Directors in the assessment of its overall performance; (ii) Assess the performance of the Executive Committee with respect to how it has been conducting Novabase's annual plan and budget passed by the Board of Directors at the start of each year, together with the degree of success in achieving their corresponding goals; (iii) Assess the performance of the Board of Directors' other specialized committees, namely the Audit Committee, Corporate Governance Assessment Committee and its own performance. To carry out its duties, the Assessment Committee asks other committees for a self-evaluation of their own performance, and submits an annual written evaluation report on the performance of the Board of Directors and of these committees before the date of the Board of Directors' approval of the annual report and accounts.

On 31 December 2010, the Board of Directors Performance Assessment Committee was comprised of the following members: Rogério dos Santos Carapuça (Chairman), Luís Paulo Salvado, Luís Mira Amaral, José Afonso Oom Ferreira de Sousa, Joaquim Sérvulo Rodrigues and Pedro Miguel Quinteiro Marques de Carvalho.

In addition to the assessment method described above, and prior to the establishment of this Board of Directors Performance Assessment Committee, the activity of executive directors was monitored continuously by non-executive directors, in collaboration with the Chairman of the Board of Directors, who is responsible for providing information regarding the company's business required to ensure monitoring of the activity of the executive directors. This monitoring of executive directors by non-executive directors continues to be a current practice at Novabase.

The Board of Directors Performance Assessment Committee holds ordinary meetings twice per year², on a date and at a location set by its Chairman, and whenever called by the Chairman, at its own initiative or at the request of any of its members.

This committee may not operate unless duly attended or represented by a majority of members; any member may be represented at meetings by any other member via letter addressed to the Chairman. However, no member of the Board of Directors Performance Assessment Committee may represent more than one other member at the same time.

Members may attend Board of Directors Performance Assessment Committee meetings via teleconferencing, and may vote by post.

Decisions are made by a majority vote, and the Chairman has a casting vote.

Corporate Governance Assessment Committee: In turn, pursuant to its regulations, the Corporate Governance Assessment Committee has the following powers: (i) Constantly assess the corporate governance model, internal rules and procedures regarding Novabase's structure and governance, and the adequacy of the Novabase Group's principles and practices of conduct vis-à-vis legal, regulatory and statutory provisions and recommendations, standards and international and national best practices involving corporate governance; (ii) Propose to the Board of Directors – which in turn may convey this proposal to the General Meeting of Shareholders, if applicable – changes to Novabase's corporate governance model deemed relevant for the ongoing refinement of the company's corporate governance practices; (iii) Provide each year to the Board of Directors a proposed text for the Corporate Governance Report to disseminate throughout the company as an integral part of each year's Annual Report and Accounts. This report – drawn up according to CMVM recommendations on format and content – offers conclusions on Novabase's degree of compliance with legal, regulatory and statutory provisions, together with rules, recommendations, standards and international and national best practices involving corporate governance.

On 31 December 2010, the Corporate Governance Assessment Committee was comprised of the following members: Rogério dos Santos Carapuça (Chairman), Luís Paulo Salvado, Manuel Alves Monteiro, João Luís Correia Duque, José Afonso Oom Ferreira de Sousa and Joaquim Sérvulo Rodrigues.

The Corporate Governance Assessment Committee holds ordinary meetings twice per year, on a date and at a location set by its Chairman, and whenever called by the Chairman, at its own initiative or at the request of any of its members.

This committee may not operate unless duly attended or represented by a majority of members; any member may be represented at meetings by any other member via letter addressed to the Chairman. However, no member of the Corporate Governance Assessment Committee may represent more than one other member at the same time.

Meeting attendance via videoconferencing and postal voting are allowed.

Decisions are made by a majority vote, and the Chairman has a casting vote.

In 2010, Novabase did not create any specialized committee with the power to identify, in a timely manner, potential candidates with the high profile needed for the position of director, as this was not necessary in view of its size and the specific nature of its corporate governance model; an adequate definition does exist for the profile of candidates for management positions via the shareholders themselves.

² In 2010, the Board of Directors Performance Assessment Committee deemed one meeting sufficient as stated in point II.13.

Novabase also has a Remuneration Committee, which is not a managing or supervisory board, and which is responsible for establishing the terms and conditions of remuneration for corporate board members. The Remuneration Committee's composition, powers and other information are detailed in Section V of this report.

II.4 Reference to the annual reports on the activities undertaken by the General and Supervisory Board, the Financial Board, the Auditing Committee and the Supervisory Board including the description of the supervisory activity and indicating any restraints found, and being subject to disclosure on the website of the company, together with the financial statements

The Audit Committee Report is annexed in its entirety to this document, and is available on the Novabase website, together with the accounting documents and the Audit Committee's annual report.

II.5 Description of the company's internal control and risk management systems, particularly with regard to financial reporting and the functioning and effectiveness thereof

Given the importance of a structured risk management model to the business, together with market regulatory requirements, the company's Board of Directors has been tasked with implementing and monitoring a suitable internal control and risk management process, working towards its efficacy.

The company therefore has a working model – safeguarding the company's worth and encouraging transparency in its corporate governance – based on detecting and anticipating potential risks and risk factors, so as to manage them in a timely manner, via the delegation of responsibilities and appropriate internal communication channels in line with the company's strategic goals for assuming risks as defined under this system.

Under its non-delegable powers of defining the company's overall policies and strategy, the Board of Directors is responsible for defining Novabase's strategic objectives in the area of risk assumption, in accordance with the company's needs and business activities.

In addition, in the area of medium and long-term strategic planning, the Board of Directors is responsible for analyzing risk, and does so regularly in relation to the annual operations plan and whenever potential businesses and markets are being evaluated, measuring each potential risk's impact and likelihood of occurrence.

Since Novabase does business in the area of Information Technology, this system has identified the following main risks (in addition to those listed in point II.9, whose risk factors are also identified via this model) and corresponding risk factors: (i) risk that the solutions developed may become obsolete relatively fast, due to the market trend of adopting their base technologies or changes in customers' business needs and investment priorities; (ii) risk that a proposed solution may prove unsuitable in terms of the choices made or the timing of the development of new solutions, due to the incorrect forecasting of technology trends or trends in our customers' business sectors impacting their information systems needs.

With these risks in mind, the teams tied to Novabase's primary markets analyze the industry in order to detect current trends and promote the development of internal skills to address these trends. In turn, the teams from Novabase's various practices control typical risks in the IT sector within their spheres of expertise, such as technology obsolescence, the risk that solutions may not be suitable, and the timing of the development and proposal of new solutions not being right for the market.

This system's efficiency is due to the instituted internal procedure, which reinforces the communication channels between the Group's various departments and decision-making bodies, thereby allowing communication and information on various system components, and potential internal control problems to be analyzed, and detecting potential risks in real time.

Novabase also has an Internal Auditing team responsible for conducting monitoring actions and improving internal control procedures essentially associated with the Group's central service areas, always in accordance with the strategic goals laid out in the integrated risk management model. Periodic, focused internal audits are thus performed, covering all of Novabase's affiliates.

In 2010, the position of Chief Risk Officer ("CRO") was created at Novabase. Internal auditing areas and areas that ensure compliance with norms applicable to the company (compliance services) report to the CRO with regard to risk prevention and management. The CRO is responsible for reporting to the Chairman of the Board of Directors, with meetings at least once per quarter between the Chairman of the Board of Directors, CRO and Auditing Committee. Director Francisco Paulo Figueiredo Morais Antunes holds the position of CRO.

Along these lines, it should be noted that the Audit Committee, as an inspection body, monitors the activity of the external auditors, as well as that of the internal auditors, assessing annual internal auditing plans, obtaining information about the actions performed by this team and providing an opinion regarding their conclusions.

In this context, this committee also has powers involving the assessment of sufficient internal control mechanisms in order to understand and manage the inherent risks of Novabase's activities, suggesting policies and procedures to the Board of Directors to achieve these goals and refine these mechanisms.

The Board of Directors is also responsible for ensuring disclosure of accurate financial information that truthfully reflects the Group's situation at any given moment, in compliance with the norms issued by the applicable regulatory entities at any given moment.

As regards the quality of the financial information that is publicly disclosed by the Investor Relations Department, it should be pointed out that it is the result of a financial reporting process that is ensured by the central services areas of the Group, subject to the internal control system of the Group and monitored through the aforementioned methods. Nevertheless, this information is also subject to analysis and approval by the relevant bodies, namely the Executive Committee and the Board of Directors.

In 2010, the risk management and internal control model implemented allowed the risks and risk factors mentioned above to be identified, effectively helping to prevent them.

II.6 Responsibility of the Board of Directors and the Supervisory Board in establishing and operating the company's internal control and risk management systems, and also in assessing said system's functioning and adaptation to the company's requirements

The company's Board of Directors is responsible for implementing and monitoring a suitable internal control and risk management process, working towards its efficacy. Systematic and regular monitoring of this matter is directly conducted by the Executive Committee with the aim of optimizing management of risk that can negatively impact achievement of the strategic business goals. The process is based on anticipating and identifying risk, permitting its timely management through processes of delegating responsibilities and suitable internal communication channels.

As mentioned in the previous point, Novabase also has an Internal Auditing team responsible for conducting monitoring actions and improving internal control procedures essentially associated with the Group's central service areas. Internal audits are thus conducted and essentially focused on processes that impact the financial area and covering all of Novabase's

affiliates.

The Audit Committee, as an inspection body, monitors the activity of the external auditors, as well as that of the internal auditors, assessing annual internal auditing plans, obtaining information about the actions performed by this team and providing an opinion regarding their conclusions.

The Audit Committee will also have powers involving the assessment of sufficient internal control mechanisms to understand and manage the inherent risks of Novabase's activities, suggesting policies and procedures to the Board of Directors to achieve these goals and refine these mechanisms.

The Board of Directors is also responsible for ensuring disclosure of accurate financial information that truthfully reflects the Group's situation at any given moment, in compliance with the norms issued by the applicable regulatory entities at any given moment.

Although formal reporting structures to the Audit Committee currently do not exist for the internal auditing area and areas that ensure compliance with norms applicable to the company (compliance services), regardless of these areas' hierarchical relationship with the company's executive management, the position of Chief Risk Officer ("CRO"), was created at Novabase, to whom these areas report with regard to risk management and prevention. The CRO is responsible for reporting to the Chairman of the Board of Directors, with meetings at least once per quarter between the Chairman of the Board of Directors, CRO and Audit Committee. Director Francisco Paulo Figueiredo Morais Antunes holds the position of CRO.

II.7 Indication of the existence of operating regulations for the company's corporate boards or other rules related to the internally defined incompatibilities, the maximum number of positions that can be accumulated and where they can be consulted.

The Board of Directors, Executive Committee, Audit Committee, Board of Directors Performance Assessment Committee and Corporate Governance Assessment Committee have their own operating regulations, which are available for consultation at Novabase's website.

Beyond those resulting from applicable legislation, there are no other regulations regarding incompatibilities or the maximum number of positions that can be accumulated applicable to Novabase corporate boards.

Section II – Board of Directors

II.8 In the event of the Board of Directors' Chairman carrying out an executive role, an indication of the mechanisms coordinating the tasks of non-executive members in order to ensure independence and notification of decisions.

Not applicable.

II.9 Identification of the major economic, financial and legal risks to which the company is exposed in pursuing its business activity.

Below is a description of some of the risks analyzed by the company which deserve attention due to their relevance and business impact.

As regards credit risk, although it is focused on major customers and its credibility is above average, Novabase has internally developed a customer credit risk analysis system that includes categorization prior to the presentation of a work proposal, involving the reality of the potential risk and associating the hierarchical approval level suited to it subsequent to that

categorization.

As regards legal risk, potential problems with customers and employees are the most probable. These risks are part of the internal control system in terms of project management, relationships with outside entities and internal departmental processes. Procedures have been defined to streamline the prior analysis of all contracts and other legal processes by the legal department, thereby minimizing potential future sources of risk. In addition, the status of current legal proceedings is regularly monitored, with an analysis of their potential financial impacts.

Some of the Group's business areas are exposed to exchange risk (primarily EUR/USD), which is analyzed and hedged through an exchange management policy based on "natural hedging", or using the exchange derivatives market or even exchange options. Novabase takes a conservative, prudent stance in managing its exchange risks, with the speculative use of derivatives forbidden.

Where project risk management is concerned, Novabase has a project qualification methodology which analyzes various specific parameters. Once the risk of the project has been ascertained, it is assigned to a project manager with the appropriate seniority. A number of qualifying training courses for project managers have been pursued in recent years. It should also be mentioned that there is a methodology in place that involves conducting internal project audits with the appropriate frequency. A system of ceilings is in place, by which authorization of proposals must be validated by a supervisor and the maximum ceiling requires authorization by the Board itself. There is a procedure for centrally validating, sending and filing proposals, which is revised by Novabase's legal department at the contract level. This department must issue its opinion before a proposal can be sent to a customer.

II.10 Powers of the board of directors, namely with respect to decisions to increase capital.

The authority and powers of the Board of Directors are described in point II.3 above of this report.

Regarding decisions to increase capital, the Board of Directors can, by a two-thirds majority of the votes of its members, increase the share capital one or more times by cash payments, up to a ceiling of twenty-eight million, two hundred thousand euros, setting the terms and conditions of each increase of capital and the form and time limits for subscribing.

This power of the board of directors was renewed for an additional period of five years at the Annual General Meeting of Shareholders of 12 April 2007.

II.11 The information on the rotation policy of the Board of Directors' functions, namely as to the financial responsibility division and the rules applicable to the appointment and replacement of members of the board of directors and of the supervisory board.

The members of the Board of Directors and Auditing Committee are appointed and replaced in the performance of their duties, pursuant to the law.

Constitutive quorum for the General Meeting of Shareholders

The General Meeting of Shareholders can, on first notice, decide on the appointment and replacement of members of the managing and supervising body, however many shareholders are represented there.

Deliberative quorum for the General Meeting of Shareholders

The General Meeting of Shareholders can, whether it meets on first or second notice, decide on the appointment and replacement of members of the managing and auditing body, by a majority of votes cast, no matter what percentage of the share capital is represented there, with abstentions not being counted.

Novabase currently has no formal rotation of functions policy for Board of Directors, specifically with regard to the individual in charge of the financial function.

However, it should be noted that Novabase has significantly and frequently rotated the holders of executive positions.

Director Francisco Antunes performed the duties of Chief Financial Officer (CFO) in 2009, having replaced Luís Paulo Salvado who had held this position since 12 April 2007, following the General Meeting of Shareholders of 28 April 2009. On 6 May 2010, the Executive Committee decided that Director Francisco Antunes would also take on the responsibility of Novabase Legal Management, previously held by Luís Paulo Salvado.

The company's remaining management (and supervisory) functions have also undergone considerable rotation, primarily because directors João Vasco Tavares da Mota Ranito and José Carlos de Almeida Pedro de Jesus left their positions at the company in 2008, and because directors Manuel Saldanha Fortes Tavares Festas and João Quadros Saldanha left their positions in 2009. In 2009, the executive positions of directors Rogério dos Santos Carapuça, José Afonso Oom Ferreira de Sousa and Pedro Miguel Quinteiro Marques de Carvalho also ended, with former CFO Luís Paulo Cardoso Salvado taking the position of Novabase CEO. Finally, a new member of the Auditing Committee, João Luís Correia Duque, was elected in 2009.

II.12 The number of meetings held by the board of directors and the supervisory board as well as reference to the minutes of said meetings.

See information in next point.

II.13 The number of meetings held by the Executive Committee or by the Executive Board of Directors, as well as reference to the drawing up of the minutes of those meetings and whenever applicable, the submission of same with the convening notices to the Chair of the Board of Directors, the Chair of the Supervisory Board or of the Audit Committee, the Chair of the General and Supervisory Board and to the Chair of the Financial Matters Committee.

The table below lists the number of meetings of the Novabase managing and auditing bodies during the 2010 financial year, indicating the date on which they were held:

Governing Body	Board of Directors	Executive Committee	Audit Committee
Number of meetings	13	40	14
Meeting dates	<div>07.01.10</div> <div>04.02.10</div> <div>04.03.10</div> <div>25.03.10</div> <div>22.04.10</div>	<div>06.01.10</div> <div>12.01.10</div> <div>13.01.10</div> <div>27.01.10</div> <div>02.02.10</div>	<div>07.01.10</div> <div>04.02.10</div> <div>05.03.10</div> <div>10.03.10</div> <div>29.04.10</div>

	<div></div>	27.05.10	<div></div>	03.02.10	<div></div>	07.05.10	
		24.06.10		09.02.10		27.05.10	
		26.07.10		24..02.10		29.06.10	
		23.09.10		03.03.10		26.07.10	
		07.10.10		11.03.10		23.09.10	
		28.10.10		17.03.10		28.10.10	
		25.11.10		22.03.10		19.11.10	
		16.12.10		24.03.10		22.11.10	
	<div></div>	<div></div>		09.04.10	<div></div>	13.12.10	
				21.04.10			
				06.05.10			
				12.05.10			
				21.05.10			
				26.05.10			
				16.06.10			
				23.06.10			
				07.07.10			
				09.07.10			
				13.07.10			
				21.07.10			
				08.09.10			
				15.09.10			
				22.09.10			
				29.09.10			
				07.10.10			
				15.10.10			
				20.10.10			
				27.10.10			
				03.11.10			
				10.11.10			
				17.11.10			
				25.11.10			
				10.12.10			
				15.12.10			

Note that the Chairman of the Novabase Executive Committee is responsible for submitting the minutes of the Executive Committee meetings to the Chairman of the Board of Directors and Chairman of the Auditing Committee. In addition, the Chairman of the Board of Directors may attend Executive Committee meetings, without voting rights, and also receives the respective meeting notices for this purpose. All non-executive directors also receive the Executive Committee meeting minutes.

In turn, both the Board of Directors Performance Assessment Committee met once in 2010, and the Corporate Governance Assessment Committee met twice in 2010. The corporate boards and specialized committees draw up their own meeting minutes.

II.14 Distinction between executive and non-executive members and among these, differentiating those members that would comply if the incompatibility rules were to be applied (Article 414-A (1) of the Commercial Companies Code, except for item b) and the independency criteria provided for in Article 414 (5), both of the Commercial Companies Code).

The chart below details the composition of the Board of Directors at 31 December 2010, including a breakdown of executive versus non-executive and independent versus non-independent members and those that comply with incompatibility regulations:

Director	Member of Committee within Board of Directors	Category	Independent	Complies with Article 414-A (1) of the Commercial Companies Code
Rogério dos Santos Carapuça	CAACA ¹ CAGS ²	Non-executive	No	No
Luís Paulo Cardoso Salvado	CE ³ CAACA CAGS	Executive	No	No
João Nuno da Silva Bento	Executive Committee	Executive	No	No
Álvaro José da Silva Ferreira	Executive Committee	Executive	No	No
Nuno Carlos Dias dos Santos Fórneas	Executive Committee	Executive	No	No
Francisco Paulo Figueiredo Morais Antunes	Executive Committee	Executive	No	No
Luís Fernando de Mira Amaral	CAUD ⁴ CAACA	Non-executive	Yes	Yes
Manuel Alves Monteiro	CAUD CAGS	Non-executive	Yes	Yes
João Luis Correia Duque	CAUD CAGS	Non-executive	Yes	Yes
José Afonso Oom Ferreira de Sousa	CAACA CAGS	Non-executive	No	No

Joaquim Sérvulo Rodrigues	CAACA CAGS	Non-executive	No	No
Pedro Miguel Quinteiro Marques de Carvalho	CAACA	Non-executive	No	No

¹ Board of Directors Performance Assessment Committee

² Corporate Governance Assessment Committee

³ Executive Committee

⁴ Auditing Committee

II.15 A description of the legal and regulatory rules and other criteria that have been used as a basis for assessing the independency of its members carried out by the board of directors.

As regards the Board of Directors' composition and operation, the independence of its members is assessed under the terms of Article 414 of the Commercial Companies Code, while also considering applicable incompatibility rules pursuant to Article 414-A (1) of this same code.

The Board of Directors assesses the independence of its members, seeking to ensure the systematic and time-related consistency of the independence criteria applied throughout the company. Specifically, as a principle, any director which, in another corporate board, could not assume this same position due to applicable rules, should not be considered independent.

Along these same lines, three members of the Board of Directors are in compliance with the incompatibility rules laid out in Article 414-A (1) of the Commercial Companies Code, and fulfil the independence criteria laid out in Article 414 (5) of the Commercial Companies Code, namely Luís Fernando de Mira Amaral, Manuel Alves Monteiro and João Luís Correia Duque.

II.16 A description of the selection rules for candidates for non-executive member positions and the way in which executive members refrain from interfering in the selection process.

Candidates for non-executive director positions are selected through a process conducted exclusively by shareholders, in which they are nominated for election at the General Meeting of Shareholders via a proposal signed by the company's shareholders, with no interference by executive directors, as such, at any time during the selection process, to the decision-making process of the shareholders for the names to be submitted to the General Meeting of Shareholders. None of the current non-executive directors was co-opted during this term.

As stated above, in 2010, Novabase did not create any specialized committee with the power to identify, in a timely manner, potential candidates with the high profile needed for the position of director, as this was not necessary in view of its size and the specific nature of its corporate governance model; an adequate definition does exist for the profile of candidates for management positions via the shareholders themselves.

II.17 Reference to the fact that the company's annual management report includes a description on the activity carried out by non-executive members and possible obstacles that may be detected.

A report on the activities carried out by non-executive directors in 2010 is attached to this report.

II.18 Professional qualifications of the members of the board of directors, indication of the professional activities they have exercised within the past five years at least, the number of company shares they own, date of first appointment and date of the end of the term.

Director (date of first appointment/end of term)	# shares ¹	Professional Qualifications	Work experience in last 5 years
Rogério dos Santos Carapuça (29-03-94/31-12-11)	<ul style="list-style-type: none"> 1.884.787 	<ul style="list-style-type: none"> Ph.D in Electrotechnical and Computer Engineering from IST M.Sc. in Electrotechnical and Computer Engineering from IST Graduate in Electrotechnical Engineering from IST 	<ul style="list-style-type: none"> Chairman of Novabase Board of Directors Chairman of the Board of Directors Performance Assessment Committee Chairman of the Corporate Governance Assessment Committee Director of various Novabase Group companies Member of the Faculty Council of the UNL Faculty of Sciences and Technologies Member of the Scientific Board of Exact Sciences and Engineering of the Foundation for Science and Technology (Fundação para a Ciência e Tecnologia) <p>Formerly:</p> <ul style="list-style-type: none"> CEO and Executive Committee member responsible for Marketing & Communication
Luís Paulo Cardoso Salvado (18-3-98/31-12-11)	<ul style="list-style-type: none"> 1.918.040 	<ul style="list-style-type: none"> MBA in Information Management from Universidade Católica Portuguesa Graduate in Electrotechnical Engineering from IST 	<ul style="list-style-type: none"> CEO, CHRO and Executive Committee member responsible for the Consulting business and the Transportation and Logistics market Member of the Board of Directors Performance Assessment Committee Member of the Corporate Governance Assessment Committee Director of various Novabase Group companies <p>Formerly:</p> <ul style="list-style-type: none"> Novabase Group CFO

			<ul style="list-style-type: none"> Novabase Group CLO
João Nuno da Silva Bento (09-11-99/31-12-11)	<ul style="list-style-type: none"> 1.799.793 	<ul style="list-style-type: none"> MBA in Information Management from Universidade Católica Portuguesa Graduate in Electrotechnical Engineering from IST 	<ul style="list-style-type: none"> Executive Committee member responsible for areas of Telco, Capital, Mobile and DigitalTV and Energy market Director of various Novabase Group companies <p><u>Formerly:</u></p> <ul style="list-style-type: none"> CEO of Novabase Digital TV
Álvaro José da Silva Ferreira (03-03-00/31-12-11)	<ul style="list-style-type: none"> 953.100 	<ul style="list-style-type: none"> MBA from Universidade Nova de Lisboa Graduate in Informatics Engineering from Universidade Nova de Lisboa 	<ul style="list-style-type: none"> Executive Committee member responsible for IMS business, NBO and Angola, Azores and Poland regions Director of various Novabase Group companies <p><u>Formerly:</u></p> <ul style="list-style-type: none"> Novabase Group CIO
Nuno Carlos Dias dos Santos Fórneas (28-04-09 / 31-12-2011)	<ul style="list-style-type: none"> 81.017 	<ul style="list-style-type: none"> MBA from ISEG Graduate in Electrotechnical and Computer Engineering from IST 	<ul style="list-style-type: none"> CIO, CMO, Financial Services Market and Industry and Services Market <p><u>Formerly:</u></p> <ul style="list-style-type: none"> Novabase Consulting Division Partner
Francisco Paulo Figueiredo Morais Antunes (28-04-09 / 31-12-2011)		<ul style="list-style-type: none"> Master's in Finance from ISCTE Graduate in Management from ISCTE 	<ul style="list-style-type: none"> CFO, CRO, CLO and Executive Committee member responsible for Infrastructures and Facilities area and region of Spain <p><u>Formerly:</u></p> <ul style="list-style-type: none"> Novabase Group Financial Director
Luís Fernando de Mira Amaral (20-04-06/31-12-11)	<ul style="list-style-type: none"> 6.305 	<ul style="list-style-type: none"> Postgraduate Diploma in Management (Stanford Executive Program) from Stanford University M.Sc. in Economics from Universidade Nova de 	<ul style="list-style-type: none"> Chairman of the Audit Committee Member of the Board of Directors Performance Assessment Committee CEO and Vice President of Caixa Geral de Depósitos

		<p>Lisboa</p> <ul style="list-style-type: none"> Graduate in Electronic Engineering from IST 	<ul style="list-style-type: none"> Director of Sociedade Portuguesa de Inovação, SA Director of BPI CEO of Banco BIC Português Member of the Royal Lankhorst Group Supervisory Board
<p>Manuel Alves Monteiro (20-04-06/31-12-11)</p>	<ul style="list-style-type: none"> 9.000 	<ul style="list-style-type: none"> Graduate in Law, member of the Portuguese Bar Association (Ordem dos Advogados) Business Management and Corporate Governance Program – Wharton University, Pennsylvania, USA 	<ul style="list-style-type: none"> Member of the Audit Committee Member of the Corporate Governance Assessment Committee Non-executive director: AICEP, CIN-SGPS Member of the General and Supervisory Board of EDP and Member of the Consulting Board of FGEUC Chairman of the Remuneration Committees of the following companies: AICEP Capital, S.A.; AICEP Global Parques, S.A.; Douro Azul, S.A.; Sardinha & Leite SGPS, S.A. Attorney
<p>João Luis Correia Duque (28-04-09 / 31-12-11)</p>	<ul style="list-style-type: none"> 500 	<ul style="list-style-type: none"> Ph.D in Business Administration from Manchester Business School / Manchester University Graduate in Company Organization and Management from ISEG / UTL 	<ul style="list-style-type: none"> Member of the Audit Committee Member of the Corporate Governance Assessment Committee Non-executive director of Sogevinus, SGPS President and Full Professor at ISEG Chairman of IDEFE / ISEG Chairman of the Board of Auditors of the Portuguese Gymnastics Foundation (FGP) Member of the management board of the Portuguese Financial Analysts Foundation (APAF)

			<ul style="list-style-type: none"> Non-executive director of Sabores Altaneiros, SGPS
José Afonso Oom Ferreira de Sousa (24-01-91/31-12-11)	<ul style="list-style-type: none"> 2.514.947 	<ul style="list-style-type: none"> MBA from Universidade Nova M.Sc. in Electrotechnical Engineering from IST Graduate in Electrotechnical Engineering from IST 	<ul style="list-style-type: none"> Member of the Board of Directors Performance Assessment Committee Member of the Corporate Governance Assessment Committee <p><u>Formerly:</u></p> <ul style="list-style-type: none"> Novabase Group CLO Novabase Group CFO Director of various Novabase Group companies
Joaquim Sérvulo Rodrigues (29-04-03/31-12-11)		<ul style="list-style-type: none"> MBA from INSEAD M.Sc. in Electrotechnical Engineering from IST Graduate in Electrotechnical Engineering from IST 	<ul style="list-style-type: none"> Member of the Board of Directors Performance Assessment Committee Member of the Corporate Governance Assessment Committee Chairman of the executive committee of the board of directors of Es Tech Ventures, SGPS, SA Chairman of the executive committee of the board of directors of ES Ventures, SCR, SA School board member of the Higher Technical Institute (Instituto Superior Técnico – UTL) Director of various companies from the portfolio of the prior companies
Pedro Miguel Quinteiro Marques de Carvalho (24-01-91/31-12-11)	<ul style="list-style-type: none"> 2.170.679 	<ul style="list-style-type: none"> Graduate in Applied Mathematics from Universidade de Lisboa 	<ul style="list-style-type: none"> Member of the Board of Directors Performance Assessment Committee <p><u>Formerly:</u></p>

			<ul style="list-style-type: none"> • Director responsible for the administrative and logistics area • Novabase Group CIO • Director of various Novabase Group companies
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¹The shareholdings referred to in the above table also comply with the report of the Shareholdings of Corporate Board Members (Article 447 (5) of the Commercial Companies Code).

II.19 Duties that the members of the board of directors perform in other companies, broken down according to those exercised in other companies of the same group.

In addition to their management of Novabase, the members of the Board of Directors who also manage other companies are as follows:

Director	Group Companies ¹	Other Companies ¹
Rogério dos Santos Carapuça	<ul style="list-style-type: none"> • Novabase Serviços, S.A. • Novabase Consulting, S.A. 	
Luís Paulo Cardoso Salvado	<ul style="list-style-type: none"> • Novabase Consulting SGPS, S.A. • Novabase Serviços, S.A. • Novabase Enterprise Applications, S.A. • Novabase Consulting, S.A. • Octal, S.A. • Octal2Mobile, S.A. • Gedotecome, Lda • Novabase IMS, S.A. • Novabase Consulting S.A. (Spain) 	
João Nuno da Silva Bento	<ul style="list-style-type: none"> • Novabase Interactive TV, SGPS S.A. • Novabase Capital, S.A. • Celfocus, S.A. • Novabase Serviços • Novabase Consulting, S.A. • Collab, S.A. 	

	<ul style="list-style-type: none"> • Novabase Digital TV, S.A. • TVLAB, S.A. • Octal2Mobile, S.A. • Novabase Consulting, S.A. (Spain) • Novabase Middle East • Novabase Infraestructuras e Integración de Sistemas Informáticos, SA 	
Álvaro José da Silva Ferreira	<ul style="list-style-type: none"> • Novabase Consulting, SGPS, S.A. • NBO, S.A. • NB Serviços • Novabase Enterprise Applications, S.A. • Novabase Consulting, S.A. • Novabase IMS, S.A. • Novabase Infraestruturas, S.A. • Novabase Atlântico, S.A. • Novabase Consulting, S.A. (Spain) • Novabase Polska • Novabase Infraestructuras e Integración de Sistemas Informáticos, SA • NBASIT 	<ul style="list-style-type: none"> • Director of one company²
Nuno Carlos Dias dos Santos Fôrneas	<ul style="list-style-type: none"> • NB Serviços • NB Consulting • NB Infraestruturas SGPS 	
Francisco Paulo Figueiredo Morais Antunes	<ul style="list-style-type: none"> • NB Interactive TV • NB Consulting SGPS • NBO • NB Serviços • NB Enterprise Applications • NB Consulting SA 	<ul style="list-style-type: none"> • Managing partner of one company²

	<ul style="list-style-type: none"> • Collab, S.A. • Octal, S.A. • Novabase Digital TV, S.A. • TVLAB, S.A. • Octal2Mobile, S.A. • Gedotecome, S.A. • NB IMS • NB Infraestruturas SGPS • NB Digital TV GmbH • NBASIT • NB EURL 	
Luís Fernando de Mira Amaral		<ul style="list-style-type: none"> • CEO of Banco BIC Português • SPI Director
Manuel Alves Monteiro		<ul style="list-style-type: none"> • Non-executive director of AICEP, EPE, SA • Non-executive director of CIN, SGPS • Member of the General and Supervisory Board of EDP
João Luis Correia Duque		<ul style="list-style-type: none"> • Non-executive director of Sogevinus, SGPS. • Chairman of the IDEFE – Instituto para o Desenvolvimento e Estudos Económicos (Institute for Economic Studies and Development) • Non-executive director of Sabores Altaneiros, SGPS
José Afonso Oom Ferreira de Sousa		<ul style="list-style-type: none"> • Director or manager of five companies²

<p>Joaquim Sérvulo Rodrigues</p>		<ul style="list-style-type: none"> • Chairman of the executive committee of the board of directors of Es Tech Ventures, SGPS, SA • Chairman of the Executive Committee of ES Venture, SCR, S.A. • Executive director of Bica da Sapataria-Empreendimentos Agrícolas e Gestão, S.A. • Director of Watson Brown • Director of Maló Clinics, S.A. • Director of PVCi-SCR. • Director of Military Commercial Technologies, Inc. • Director of ES Contact Center, S.A. • Director of YDreams, S.A. • Director of ES Capital – S.C.R., S.A. • Director of Atlantic Ventures Corporation, LLC • Director of Oceanlix, Pty • Director of Outsystems, S.A.
<p>Pedro Miguel Quinteiro Marques de Carvalho</p>		<ul style="list-style-type: none"> • Director or manager of three companies²

¹ As of 31 December 2010

² None are considered to be a competitor of Novabase

Section III – General and Supervisory Board, Financial Matters Committee and Supervisory Board

As applicable,

II.21 Identification of the members of the supervisory board, stating that they comply with the incompatibility rules stipulated in Article 414-A (1), and the independence criteria stipulated in Article 414 (5), both of the Commercial Companies Code. For said purpose, the supervisory board may carry out the relevant self-assessment.

Since it has adopted the Anglo-Saxon corporate governance model, Novabase does not have a supervisory board.

Nonetheless, as regards its composition and operation, the Audit Committee independently assesses the independence of its respective members, pursuant to Article 414 of the Commercial Companies Code. Similarly, members of the Auditing Committee are subject to the incompatibility rules referred to in Article 414-A (1) of this same code.

The Board of Directors Performance Assessment Committee assesses the independence of its members, seeking to ensure the systematic and time-related consistency of the independence criteria applied. Specifically, as a principle, any Auditing Committee member which, in another corporate board, could not assume this same position due to applicable rules, should not be considered independent.

Therefore, although Novabase does not have a supervisory board, the following should be noted:

Member of the Audit Committee	Category	Independent	Complies with Article 414-A (1) of the Commercial Companies Code
Luís Fernando de Mira Amaral	Non-executive director	Yes	Yes
Manuel Alves Monteiro	Non-executive director	Yes	Yes
João Luís Correia Duque	Non-executive director	Yes	Yes

Along these same lines, all members of the Audit Committee are in compliance with the incompatibility rules laid out in Article 414-A (1) of the Commercial Companies Code, and fulfil the independence criteria laid out in Article 414 (5) of the Commercial Companies Code, namely Luís Fernando de Mira Amaral, Manuel Alves Monteiro and João Luís Correia Duque.

In addition, the Chairman and other members of the Audit Committee are adequately capable of carrying out their duties

II.22 Professional qualifications of the members of the auditing committee, indication of the professional activities they have exercised within the past five years at least, the number of company shares they own, date of first appointment and date of the end of the term.

Not applicable.

II.23 Duties that the members of the auditing committee perform in other companies, broken down according to those exercised in other companies of the same group.

Not applicable.

II.24 Reference to the fact that the supervisory board assesses the external auditor on an annual basis and the possibility of proposing to the General Meeting of Shareholders that the auditor be discharged whenever justifiable grounds are present.

As stated in point II.21 above, since it has adopted the Anglo-Saxon corporate governance model, Novabase does not have a supervisory board. The following information is in reference to the Auditing Committee.

As described in point II.3 above, the Auditing Committee collaborates with the Board of Directors in selecting external auditors and determining the respective remuneration, as well as supervising these auditors' work, including verification of the existence of suitable conditions for providing external auditing services and receipt of the respective reports, assessing the external auditor on an annual basis. To date, there has been no need to justifiably dismiss any entity performing these duties.

Notwithstanding the above, it should be noted that contrary to the statutory provisions concerning statutory auditors, the law and Novabase's articles of association do not empower the General Meeting of Shareholders to appoint external auditors. For this reason, the possibility of proposing the auditor's justified dismissal to the General Meeting of Shareholders does not exist.

II.25 Identification of the members of the general and supervisory board and other committees created within the company for the purposes of assessing the individual and overall performance of the executive members, consideration on the governance system that has been adopted by the company and the identification of potential candidates with the professional profile fitting the member position.

Not applicable.

II.26 Statement indicating that members comply with the incompatibility rules provided for in Article 414-A (1), including item f), and the independency criteria provided for in Article 414 (5), both of the Commercial Companies Code. For said purpose, the general and supervisory board carries out the relevant self-assessment.

Not applicable.

II.27 Professional qualifications of the members of the general and supervisory board and other committees created under its auspices, indication of the professional activities they have exercised within the past five years at least,

the number of company shares they own, date of first appointment and date of the end of the term.

Not applicable.

II.28 Duties that the members of the general and supervisory board and other committees created under its auspices perform in other companies, broken down according to those exercised in other companies of the same group.

Not applicable.

II.29 Description of the remuneration policy including that of the managers within the concept of Article 248-B (3) of the Securities Code and of the other workers whose professional activity might have a relevant impact on the risk profile of the company and whose remuneration contains an important variable component.

Only the members of Novabase's Board of Directors are considered managers, within the meaning of Article 248-B (3) of the Securities Code.

By unanimous decision of the Remuneration Committee in a meeting held on 19 September 2006, Novabase directors who are primarily dedicated to the management of companies in the Novabase Group shall have a variable remuneration consisting of (i) a sum to be paid in cash, to be defined annually by the Remuneration Committee, according to the performance and results of the company each year and the contribution of each director to these results; and (ii) a set of options attributed according to the current plan in effect.

The first part of the directors' variable remuneration is therefore aligned with Novabase's annual performance, while the second is aligned with the stock performance of the Novabase share. In 2010, the first parcel of the variable remuneration was €1,932,000.00, paid as detailed in the chart below in point II.31.

As regards this variable remuneration's second part, the options' strike price is based on an average share price in the ninety days preceding the participant's commencement of management duties (described in more detail in point III.10). For this reason, the options will be more valuable as Novabase's share price rises while the management position is held, and until the options are exercised, thereby aligning the interests of the company's managers and shareholders.

Furthermore, insofar as the total variable remuneration earned by the directors complies with the creation of value reflected in the results and the company's finance and stock performances, Novabase's remuneration policy values the company's long term performance and its sustainability.

Independent non-executive directors are only remunerated with a fixed salary, and are not entitled to any variable component in their salary. The Remuneration Committee is also responsible for deciding whether the non-executive directors elected in representation of key shareholders will earn any remuneration for the performance of their duties.

The current remuneration policy for the Board of Directors was implemented for the 2010 financial year in accordance with points II.31- II.34 below.

In addition to the above, the remuneration of certain employees at Novabase may include a major variable component when their professional activities, according to their assigned duties within the Group, may significantly impact the company's risk profile. Although the company has no remuneration policy for these situations, the variable component of these employees' remuneration has not exceeded 55% of their annual remuneration, and is determined based on

an annual performance evaluation by the managing board member(s) responsible for the employee's department.

Name	Position
Carlos Alves	Novabase Consulting Director/In Charge of BI Practice
Carmo Palma	EA ERP Director/Government & Healthcare Director
Célia Vieira	NBO Director
Jamie Bridel	CelFocus Director
João Rafael	Novabase Consulting Director/Octal (Ticketing Unit) Director/In Charge of Novabase Partner Relations/Octal2Mobile Director
Luís Lobo	Novabase Consulting Director/Octal-Engenharia de Sistemas, S.A. Director /Novabase Enterprise Applications Director
Luís Quaresma	Executive Director, Energy & Utility/Novabase Capital Director/Octal-Engenharia de Sistemas, S.A. Director
Manuel Relvas	Octal - Engenharia de Sistemas, S.A. Director
María Gil	Novabase Capital Director/In Charge of IR Novabase SGPS/Octal2Mobile Director
Miguel Vicente	Novabase IMS Director/NBASIT Chief Executive Officer
Paulo Ferreira	Novabase IMS Director/ In charge of Intelligent Infrastructures and Logistics at IMS
Paulo Trigo	CelFocus Executive Director
Pedro Afonso	Novabase DigitalTV Director/Telecommunications
Pedro Borges	Novabase Consulting Associate Executive/Telecommunications Market Sales Manager
Pedro Faustino	Novabase Consulting Director/Government & Healthcare Market Executive
Pedro Gomes	Novabase Consulting Director/ Executive Director of Financial Services Market
Pedro Chagas	Novabase Consulting Director
Ricardo Nunes	Novabase Consulting Director/ Executive Director of Financial Services Market
Vasco Monteiro	Novabase IMS Director/In charge of MS Practice
Vítor Prisca	Novabase IMS Director/In Charge of IT Management Practice/In Charge of the Novabase Group's Quality and Best Practices in Project Management (Enterprise Program Management)

Section IV - Remuneration

II.30 Description of the remuneration policy of the board of directors and the supervisory board, as provided for in Article 2 of Law 28/2009 of 19 June.

Attached to this report is a statement with regard to the remuneration policy laid out in Law 28/2009 of 19 June.

II.31 Indication on the amount concerning the annual remuneration paid individually to members of the board of directors and of the supervisory board of the company, including fixed and variable remuneration and as to the latter, mentioning the different components that gave rise to same, the parts that has been deferred and paid.

Since 2003, Novabase has already complied with the CMVM recommendation regarding disclosure of the remunerations of the members of the Board of Directors individually. In this report, Novabase discloses the remuneration received by each member of the Board of Directors and Auditing Committee in 2010, pursuant to the provisions of Law no. 28/2009 and CMVM Regulation no. 1/2010.

By unanimous decision of the Remuneration Committee, fixed remuneration components were set for members of the Novabase Board of Directors in 2010, along with annual variable remuneration, as shown in the chart below.

These remunerations are distributed among the members of the Board of Directors in accordance with the breakdown stipulated by the Remuneration Committee, whereby the (i) independent non-executive directors and one non-executive, non-independent director (Joaquim Sérulo Rodrigues) earn only a fixed cash remuneration and (ii) the executive directors (together with certain non-executive, non-independent directors taking on management responsibilities in the Group) earn a fixed portion in cash, a variable portion in cash and a variable portion based on stock options. This remuneration is shared among the directors as indicated in the chart below, in accordance with the responsibilities assumed by them at Novabase, and as indicated by the Remuneration Committee.

The remuneration of non-executive, non-independent directors who assume management responsibilities in the Group includes a variable portion, since the current term is a transition period to non-executive duties after many years of executive duties.

The variable portion in cash of directors' remuneration is determined with a view to aligning this portion with the organization's performance in the year in question, measured by the net profits generated, and correlates with the responsibility and performance of each director in particular. A proper balance is also ensured between the fixed and variable portions of these remunerations.

As regards the aforementioned stock option plan, at the start of the 2009-2011 term, the members of the Board of Directors were awarded a number of options as defined by the Remuneration Committee, under the variable remuneration stock options component for the years in question, in accordance with the table below.

Accordingly, in the Remuneration Committee meeting of 4 June 2009, it was thus resolved to offer 1,959,720 options under the 2009-2011 variable remuneration stock options component in force at the Novabase Group, to be distributed among the five executive directors, Chairman of the Board of Directors and members of the Board of Directors, according to the following chart:

Director	Fixed Annual Remuneration (€)	Variable Annual Remuneration 1 (€)	Partial Total (Fixed + Variable 1) (€)	Variable 1 /Partial Total (%)	Variable Remuneration 2 # Options @ €4.04 2009-2011
Luís Paulo Cardoso Salvado	€265,300.00	€368,000.00	€633,300.00	58.11%	380,528 options
João Nuno da Silva Bento	€260,610.00	€368,000.00	€628,610.00	58.54%	380,528 options
Álvaro José da Silva Ferreira	€260,610.00	€368,000.00	€628,610.00	58.54%	380,528 options
Nuno Carlos Dias dos Santos Fórneas	€170,800.00	€239,200.00	€410,000.00	58.34%	247,343 options
Francisco Paulo Figueiredo Morais Antunes	€131,040.00	€147,200.00	€278,240.00	52.90%	152,211 options
Executives Total	€1,088,360.00	€1,490,400.00	€2,578,760.00	57.80%	1,541,138 options
(% total)	63.58%	77.14%	70.77%		78.64%
Rogério dos Santos Carapuça	€238,700.00	€294,400.00	€533,100.00	55.22%	266,370 options
Luís Fernando de Mira Amaral	€40,508.60 ¹	€0.00	€40,508.60 ¹	0.00%	0 options
Manuel Alves Monteiro	€40,508.60 ¹	€0.00	€40,508.60 ¹	0.00%	0 options
João Luis Correia Duque	€65,190.67 ²	€0.00	€65,190.67 ²	0.00%	0 options
José Afonso Oom Ferreira de Sousa	€106,120.00	€73,600.00	€179,720.00	40.95%	76,106 options
Joaquim Sérvulo Rodrigues	€26,301.11 ³	€0.00	€26,301.11	0.00%	0 options
Pedro Miguel Quinteiro de Marques Carvalho	€106,120.00	€73,600.00	€179,720.00	40.95%	76,106 options
Non-executives Total	€623,448.98	€441,600.00	€1,065,048.98	41.46%	418,582 options
(% total)	36.42%	22.86%	29.23%		21.36%
TOTAL	€1,711,808.98	€1,932,000.00	€3,643,808.98	53.02%	1,959,720 options

¹ Of this total, €1,084.60 are 2009 income paid in 2010

² Of this total, €25,766.67 are 2009 income paid in 2010

³ Of this total, €10,439.11 are 2009 income paid in 2010

Variable remuneration 1 was paid in full, with a deferral in variable remuneration 2, as described in point III.10 of this report concerning the terms and conditions of the stock option plan in force.

No additional remuneration was paid in 2010 in the form of profit sharing and/or bonuses, except for the amounts shown in the chart below, as decided by the Remuneration Committee in view of the circumstances of the current term, in which the company's founders are transitioning to non-executive positions after performing executive duties for 20 years:

Director	Bonus (€)
José Afonso Oom Ferreira de Sousa	190,000.00
Pedro Miguel Quinteiro de Marques Carvalho	190,000.00
Total	380,000.00

No compensations were paid, nor are any compensations owed, to former executive directors as a result of their duties no longer being performed in 2010.

There are no supplementary pension or early retirement schemes for Novabase directors.

In 2010, an additional amount of €12,716.37 was paid to the members of the Board of Directors in meal allowances.

There are no relevant amounts of non-monetary benefits considered as remuneration and not covered by the previous situations.

Novabase directors are paid exclusively by this entity, and do not receive additional remuneration of any kind from other companies that are controlled by or part of the Novabase Group.

II.32 Information on the way the remuneration is structured so as to allow aligning the interests of the members of the board of directors with the long-term interests of the company as well as how it is based on the performance assessment and how it discourages excessive risk assumption.

The variable portion in cash of directors' remuneration is determined by the Remuneration Committee with a view to aligning this portion with the organization's performance in each year in question, measured by the net profits generated, and correlates with the responsibility and performance of each director in particular. A proper balance is also ensured between the fixed and variable portions of these remunerations.

As regards the stock option plan – and as a means of aligning the directors' interests with those of the company – at the start of the 2009-2011 term, the members of the Board of Directors were awarded a number of options as defined by the Remuneration Committee, under the stock options portion of the variable remuneration for the years in question, in accordance with the table in point II.31 above.

As described in greater detail in point III.10 of this report, attributed options may be exercised in blocks, corresponding to 1/3 of all options, on each anniversary of their attribution date, while unexercised options may be exercised on their subsequent maturity date. As such, the stock option plan's corresponding variable portion does not exclusively serve Novabase's long-term interests.

However, the variable portion of the remuneration paid through the stock option plan is fully aligned with these long-term interests when the options are not exercised until their last maturity date, i.e. 3 years after the commencement of the directors' terms of office, which must always occur for at least 1/3 of the options attributed.

In addition, shares acquired through the exercising of options may not be sold or encumbered for one year (50% of the total shares acquired).

In this way, Novabase believes that a substantial part of the variable remuneration of the company's directors aligns their interests with the long-term interests of the company, although not exclusively so.

Moreover, the fact that a significant amount of the options to allot shares are deferred over time discourages excessive risk assumption by directors.

II.33 As regards the remuneration of the executive members:

a) Reference to the fact that the executive members' remuneration includes a variable component and information on the way said component relies on the assessment performance;

As stated in point II.31 of this report, the remuneration of executive directors includes a variable portion in cash and a variable stock option plan portion.

The variable portion in cash of directors' remuneration is determined with a view to aligning this portion of these directors' remuneration with the organization's performance in the year in question, measured by the net profits generated, and correlates with the responsibility and performance of each director in particular. A proper balance is also ensured between the fixed and variable portions of these remunerations.

b) The corporate bodies responsible for assessing the performance of executive members;

As stated in point II.3 of this report, the Board of Directors Performance Assessment Committee is responsible for assessing the performance of the Executive Committee with respect to how it has been conducting Novabase's annual plan and budget passed by the Board of Directors at the start of each year, together with the degree of success in achieving their corresponding goals.

Moreover, the variable portion in cash of directors' remuneration is determined by the Remuneration Committee with a view to aligning this portion of these directors' remuneration with the organization's performance in the year in question, measured by the net profits generated, and correlating it with the responsibility and performance of each director in particular (as stated in point II.31).

c) The pre-established criteria for assessing the performance of executive members;

The performance assessment of directors (including executive directors) takes into account the organization's performance in the year in question, measured by the net profits generated, and is aimed at correlating the remuneration's variable cash component with the responsibility and performance of each director in particular (as stated in point II.31).

d) The relative importance of the variable and fixed components of the members' remuneration, as well as the maximum limits for each component;

The relative importance of directors' variable and fixed remuneration components is shown in the table in point II.31. One of the goals of the variable portion in cash is to establish a proper balance between the fixed and variable portions of these remunerations.

Under the stock option plan's corresponding variable component, it is stipulated that the total number of options attributed under the 4th Plan may under no circumstances exceed the total number of options attributed under the 3rd Plan, pursuant to which the shares corresponding to the options attributed but not yet exercised under this third 2006-2008 Stock Option Plan should

not at any time exceed 8% of the total volume of shares representing Novabase's share capital at the time, for the three Annual Loyalty Components comprising the 3rd Plan.

e) The deferred payment of the remuneration's variable component and the relevant deferral period;

Information on the deferred payment of the remuneration's variable component is described in point II.32 above, in the part relating to the stock option plan.

f) An account of the way whereby the payment of the variable remuneration is subject to the company's continual positive performance during the deferral period;

The way in which the payment of the variable remuneration is linked to the company's continual positive performance is described in point II.32 above, in the part relating to the stock option plan.

g) Sufficient information on the criteria whereon the allocation of variable remuneration on shares is based, as well as on maintaining company shares that the executive members have had access to, on the possible share contracts, namely hedging contracts or risk transfer, the relevant limit and its relation apropos the value of the total annual remuneration;

There is no remuneration through the direct allocation of shares.

Moreover, since no options were exercised on the maturity date of Batch 1 of options under the current stock option plan (as stated in point III.10), the Novabase directors participating in this plan have not accessed any shares under variable remuneration schemes.

The company has no information regarding the signing of contracts involving these shares, namely hedging or risk transfer contracts.

h) Sufficient information on the criteria whereon the allocation of variable remuneration on options is based as well as its deferral period and exercising price;

This information is described in point III.10 of this report.

i) The main factors and reasons for any annual bonus scheme and any other non-financial benefits;

Except for the stock option plan's corresponding variable remuneration component, and notwithstanding the bonuses referred to in point II.31, there is no annual bonus scheme or any other non-financial benefits.

In 2010, an additional amount of €12,716.37 was paid to the members of the Board of Directors in meal allowances.

There are no relevant amounts of non-monetary benefits considered as remuneration and not covered by the previous situations.

j) Remuneration paid in the form of a share in the profits and/or the payment of bonuses and the rationale behind the act of awarding such bonuses and/or share in profits;

Except for the bonuses described in point II.31, paid to directors José Afonso Oom Ferreira de Sousa and Pedro Miguel Quinteiro de Marques Carvalho, there is no form of profit sharing and/or bonuses. These amounts were decided on by the Remuneration Committee in view of the circumstances of the current term, in which the company's founders are transitioning to non-executive positions after performing executive duties for 20 years.

l) Compensation paid or owed to former executive directors in relation to early contract termination;

No compensations were paid or became due to former executive directors as a result of their duties no longer being performed during the year.

m) Reference to the envisaged contractual restraints for compensation owed for undue dismissal of executive directors and its relation apropos the remunerations' variable component;

There are no contractual restraints for compensation owed for undue dismissal of executive directors, as per legal rules.

Pursuant to Article 403 (5) of the Commercial Companies Code, if the dismissal lacks justified grounds, the director is entitled to compensation for damages incurred by the means specified in his/her contract or under the general terms of the law; this compensation may not exceed the remuneration he/she would presumably receive through the end of his/her appointed term.

In Novabase's opinion, since management positions are remunerated, with a mandatory legal ceiling on compensation for dismissal without due cause, and in view of the protection of expectations principle, there is no justification for contractual restraints that reduce the maximum legal compensation amount to a director with legal proof of damages incurred, when dismissal occurs due to his/her inadequate performance without justified grounds.

Similarly, in view of the mandatory legal ceiling on compensation for undue dismissal, there is no foreseeable advantage in establishing contractual restraints to directors' compensation in the event of consensual termination of duties.

Lastly, the implementation of such measures during the term of office does not seem appropriate.

n) Amounts paid on any basis by other companies in a group relationship or exercising control over the company;

Novabase directors are paid exclusively by this entity, and do not receive additional remuneration of any kind from other companies that are controlled by or part of the Novabase Group.

o) A description of the main characteristics of the supplementary pensions or early retirement schemes set up for executive directors and whether said schemes were subject or not to the approval of the General Meeting of Shareholders;

There are no supplementary pension or early retirement schemes for Novabase directors.

p) An estimate of the non-financial benefits considered as remuneration which do not fall under the categories listed above;

There are no relevant amounts of non-monetary benefits considered as remuneration and not covered by the previous situations.

q) Mechanisms to prevent executive directors from having employment contracts that question the grounds of the variable remuneration;

The company does not adopt mechanisms to prevent executive directors from having employment contracts that question the grounds of the variable remuneration.

However, to the company's knowledge, there are no contracts of this sort.

II.34 Reference to the fact that remuneration of non-executive members of the Board of Directors is not included in the variable component.

Only independent non-executive directors and one non-independent non-executive director (Joaquim Sérulo Rodrigues) receive solely fixed cash remuneration. The remuneration policy for directors passed in the 2010 General Meeting of Shareholders still allowed non-independent non-executive directors to receive a variable remuneration component, especially bearing in mind that these directors could take on key management responsibilities in the Group, although without executive powers (which they ultimately did), thereby justifying this variable component.

In any case, since differences in the remuneration structure are intended to adjust remuneration according to the duties actually performed by each director in the Group, the remuneration of the members of the Board of Directors is structured so as to align their interests with those of the company.

II.35 Information on the reporting of irregularities adopted by the company (reporting means, persons entitled to receive said reports, how the reports are to be handled and the names of the persons or bodies that have access to the information and the relevant involvement in the procedure).

In compliance with the CMVM Recommendations published in the 2007 Corporate Governance Code, and in view of fostering a culture of responsibility and compliance, Novabase has adopted a system for reporting irregularities (known as "SPI") that may occur within its Group. Any report of irregularities made through SPI is directed to the Auditing Committee, which will appoint a person in charge of SPI to manage the reports received. The person in charge of SPI must act independently and autonomously (notwithstanding responsibility to the Auditing Committee for proper compliance with his/her duties) and will be subject to confidentiality requirements. This system also observes the requirements in the Corporate Governance Code currently in force.

According to the implemented system, employees and other Novabase stakeholders have access to a direct and confidential channel for reporting to the Auditing Committee any practice that appears to be improper or irregular in any way, whatever it may be, which has occurred within the Novabase Group, regardless of any blame that may be attributed, and which may

impact the financial statements or the information sent to the CMVM, or that may cause serious damage to Novabase or its stakeholders (employees, customers, partners and shareholders).

Reporting of irregular practices occurring within the Novabase Group by Novabase employees when they have such knowledge is a duty, regardless of the source of the practice or the person who has performed it.

The apparent irregularity must be reported in a secure and confidential manner to the person in charge of SPI, the independent member of the Auditing Committee Manuel Alves Monteiro, in two different manners:

- to the private e-mail address: m.a.monteiro.novabase@gmail.com; and
- by post in a letter addressed to Dr. Manuel Alves Monteiro, marked "Confidential", to the address: Av. D. João II, Lote 1.03.2.3. Parque das Nações 1998 – 031 Lisbon

Such reports will be processed by the person in charge of SPI according to the following procedure:

- i) receipt and preliminary analysis of the report of the irregular practice;
- ii) judgement of the consistency of the report received (with destruction of all inconsistent reports, the Auditing Committee being responsible for this destruction, subsequent to a proposal from the person in charge of SPI);
- iii) investigation/report/archiving; and
- iv) final forwarding.

Before proceeding to the final forwarding of the reports, the person responsible for SPI takes account of the reports for statistical purposes and maintains a record of the reports that exclusively covers the following aspects: (i) date on which the report was received; (ii) essence of the facts reported, eliminating all information that permits identification of any physical persons; and (iii) date on which the investigation was concluded.

Once the investigation has been concluded, reports with an underlying probability of an irregular practice are forwarded by the Auditing Committee to the Board of Directors so that it can take appropriate measures.

Whenever the report of irregular practices results in evidence of the practice of a crime or serious disciplinary infraction, the Auditing Committee must recommend that the company forwards the matter to (i) Novabase internal bodies for due process and (ii) to external investigation bodies, namely the police or the public prosecutor, in order to ascertain responsibilities.

General rules of conflict of interest apply to the decisions to be approved by the Auditing Committee or by the Board of Directors regarding reports made within the scope of SPI.

Whatever the circumstance, the confidentiality of the report will be guaranteed if so requested by its author, and the personal data of the physical persons involved will be protected, while any action taken against the person who has made the report will be considered a serious offence.

This policy is explained on the Novabase website (www.novabase.pt) in the IR/Corporate Governance section.

In this way, Novabase complies with the provisions of the Commercial Companies Code and the recommendations of the Corporate Governance Code. Its system has been approved by the Portuguese Data Protection Authority (CNPD) through authorization no. 4494/2009.

Section V – Special Committees

Remuneration Committee: The board decides upon the remuneration of corporate board members. Its current members for the three-year period of 2009-2011 were decided in the General Meeting of Shareholders of 28 April 2009. Francisco Luís Murteira Nabo presides over the Remuneration Committee. Pedro Rebelo de Sousa and João Quadros Saldanha are also members of this committee. All of the committee's members are independent from the members of the Board of Directors, pursuant to Chapter II, point II.19 of the Annex to CMVM Regulation No. 1/2007, which includes the criteria adopted by Novabase in 2009 to gauge the fulfilment of Recommendation No. II.5.2 of the 2007 Corporate Governance Code (since the current CMVM Regulation No. 1/2010 and Corporate Governance Code do not establish specific criteria in this regard, Novabase believes that the criteria of prior norms should still be taken into account in assessing the independence of members of the Remuneration Committee from the Board of Directors).

Notwithstanding the above, pursuant to Recommendation No. II.5.3 of the Corporate Governance Code, no one serving or having served on the Board of Directors, in the preceding three years, should be hired to support the Remuneration Committee in the performance of its duties, together with other circumstances, under the terms of this recommendation, affecting the independence of the person in question within the scope of the Remuneration Committee's duties. This recommendation seems to suggest, *a fortiori*, that individuals who have performed duties on the Board of Directors in this period should likewise not be hired to support this committee or, *a fortiori*, become one of its members, which is the case of one of this committee's current members (João Quadros Saldanha).

Therefore, in view of Recommendation No. II.5.3 of the Corporate Governance Code, former director João Quadros Saldanha may be considered a non-independent member of the Remuneration Committee in relation to the members of Novabase's Board of Directors.

Notwithstanding the above, Novabase wishes to emphasize that since the Remuneration Committee's current members were appointed to their positions for the three-year period of 2009-2011, it seems inappropriate to make any changes at this time to this committee's composition before the end of the current term.

In 2010, the Remuneration Committee held one meeting, and the respective minutes were drafted and signed.

II.36 Identification of members of those committees that have been constituted for the purposes of individual and overall performance assessment of the executive members, consideration on the governance system that has been adopted by the company and the identification of potential candidates with the professional profile fitting the member position.

As stated in point II.3, on 31 December 2010, the Board of Directors Performance Assessment Committee was comprised of the following members: Rogério dos Santos Carapuça (Chairman), Luís Paulo Salvado, Luís Mira Amaral, José Afonso Oom Ferreira de Sousa, Joaquim Sérvulo Rodrigues and Pedro Miguel Quinteiro Marques de Carvalho.

Moreover, as also stated in point II.3, on 31 December 2010, the Corporate Governance Assessment Committee was comprised of the following members: Rogério dos Santos Carapuça (Chairman), Luís Paulo Salvado, Manuel Alves Monteiro, João Luís Correia Duque, José Afonso Oom Ferreira de Sousa and Joaquim Sérvulo Rodrigues.

As stated in point II.16, Novabase did not create any committee to identify potential candidates with the profile needed for the position of director.

II.37 Number of meetings held by the committees that have been constituted for management and supervision during the period concerned, as well as reference to the minutes of said meetings that have been held.

As already mentioned in point II.13, the Board of Directors Performance Assessment Committee met once in 2010, and the Corporate Governance Assessment Committee met twice in 2010. Both of these specialized committees draw up their own meeting minutes

II.38 Reference to the fact that one member of the remuneration committee has knowledge and experience in remuneration policy issues.

The Chairman of the Remuneration Committee, Francisco Luís Murteira Nabo, has suitable knowledge and experience in remuneration policy issues, pursuant to point II.38 of CMVM Regulation No. 1/2010.

II.39 Reference to the independency of natural or legal persons with an employment contract or providing services to the remuneration committee, as regards the Board of Directors as well as, when applicable, to the fact that these persons have an existing relation with the company consultant.

The Remuneration Committee is not assisted by any natural or legal persons with an employment contract or service agreement as regards the Board of Directors or any structure beneath it, or by any existing relationship with a company consultant that affects its independence or exemption.

In addition, the Remuneration Committee is not assisted by any entity having a relationship with the company's management in the preceding three years, pursuant to the above paragraph, or by any person related by an employment contract or service agreement with any person referred to in this or the above paragraphs.

Notwithstanding the above, the considerations from the start of this Section V, namely concerning the assessment of the independence of Remuneration Committee members in view of the provisions of Recommendation No. II.5.3 of the 2010 Corporate Governance Code, must be taken into account.

As explained earlier, the provisions of this CMVM recommendation seem to suggest, *a fortiori*, that individuals who have performed duties on the Board of Directors in this period should likewise not be hired to support this committee or, *a fortiori*, become one of its members, which is the case of one of this committee's current members (João Quadros Saldanha).

Therefore, in view of Recommendation No. II.5.3 of the 2010 Corporate Governance Code, former director João Quadros Saldanha may be considered a non-independent member of the Remuneration Committee in relation to the members of Novabase's Board of Directors.

Chapter III. Information and Auditing

III.1 Shareholder base, including indication of shares not admitted to trading, different categories of shares, underlying rights and duties and the percentage of capital that each category represents.

Novabase's share capital consists of 31,401,394 issued shares. There are no shares that are not admitted for trading, nor are there different categories of shares. All shares confer the same rights and obligations.

III.2 Qualified holdings in the shareholder capital of the issuer company, calculated in accordance with Article 20 of the Portuguese Securities Code.

Shareholdings¹ (under the terms of Article 20, Item 1 of the Securities Code)

Shareholder	#	#	%
	Partial Shares	Shares	Capital and Voting Rights
Partbleu, Sociedade Gestora de Participações		3,180,444	10.13%
ES TECH VENTURES, SGPS, SA	1,792,144		
BES Pension Fund	1,157,395		
Corporate Board members	100		
Banco Espírito Santo, SA Group (under the terms of Article 20, Item 1 of the Securities Code)		2,949,639	9.39%
José Afonso Oom Ferreira de Sousa		2,514,947 ²	8.01%
Pedro Miguel Quinteiro Marques de Carvalho		2,170,679 ²	6.91%
Luís Paulo Cardoso Salvado		1,918,040 ²	6.11%
Rogério dos Santos Carapuça		1,884,787 ²	6.00%
João Nuno da Silva Bento		1,799,793 ²	5.73%
Fernando Fonseca Santos		1,575,020	5.02%
Santander Ações Portugal Fund	1,234,775		
Santander PPA Fund	191,663		
Other	144,128		
Santander Asset Management - Soc. Gestora de Fundos de Investimento Mobiliário, SA (under the terms of Article 20, Item 1 of the Securities Code)		1,570,566	5.00%
Álvaro José da Silva Ferreira		953,100 ²	3.04%

Total		20,517,015	65.34%
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¹Shareholdings of each of these shareholders correspond to last positions notified to the company as at 31 December 2010.

² Includes shares under the shareholders' agreement described in point III.5 of this report. The shares of other shareholders under this agreement are attributable to the shareholder in question. In total, the shareholders under this agreement own 10,488,065 shares corresponding to 33.40% of the share capital and voting rights of Novabase – SGPS, S.A.

III.3 Identification of shareholders with special rights and description of these rights.

The articles of association do not provide for shares with special rights.

III.4 Restrictions on the transferability of shares, such as consent of sale clauses or restrictions on ownership of shares.

The articles of association do not limit the transfer or ownership of Novabase shares.

III.5 Shareholders' agreements that are known to the company and which may lead to restrictions in terms of transferring securities or voting rights.

On 20 April 2006 the following Novabase shareholders signed a shareholders' agreement according to the following table, which shows the individual positions on this date:

Shareholder	No. of Shares	% Capital
José Afonso Oom Ferreira de Sousa	2,498,697	8.70%
Pedro Miguel Quinteiro Marques de Carvalho	2,498,697	8.70%
Rogério dos Santos Carapuça	1,873,113	6.52%
Luís Paulo Cardoso Salvado	1,783,543	6.21%
João Nuno da Silva Bento	1,783,543	6.21%
Álvaro José da Silva Ferreira	804,866	2.80%
João Vasco Tavares da Mota Ranito	492,628	1.71%
José Carlos de Almeida Pedro de Jesus	366,592	1.28%
Manuel Saldanha Fortes Tavares Festas	74,946	0.26%
Total	12,176,665	42.39%

The following contents of this shareholders' agreement are noteworthy:

- Obligations regarding the composition of the Board of Directors and election of its members, namely the joint creation by all signatories, previously at General Meetings of Shareholders for the election in question, of proposals for designating members of the Board of Directors. A majority must pass such proposals equal to or greater than two thirds of votes corresponding to shares, with signatories assuming the responsibility of voting in favour of

proposals they have presented at the General Meeting of Shareholders;

- b) The need for agreement by a majority equal to or greater than two thirds of votes corresponding to shares to establish terms by which these shares may be sold, together with the potential purchase of Novabase shares by the signatories, with signatories agreeing not to initiate sales or purchases of any kind outside of this agreement;
- c) In all of the following matters, signatories must exercise their voting right at Novabase General Meetings of Shareholders by a strict majority equal to or greater than two thirds of votes corresponding to shares: dividend policy to be adopted, management compensation policy for Novabase directors, increases and decreases in share capital, elimination of the pre-emptive right in increases in capital, composition of corporate boards, Novabase mergers and divisions, and amendments to the articles of association;
- d) Obligation of signatories to vote at General Meetings of Shareholders exclusively in favour of decisions previously passed by a two-thirds or greater majority of signatories having voting rights corresponding to shares;
- e) The need for unanimity of all signatories for the purchase of Novabase shares that imply the allocation to such signatories of a qualified shareholding exceeding 33% or 50% of Novabase voting rights;
- f) The signatories undertake to ensure that their descendents in the first degree, who have not yet reached legal age, will not acquire any Novabase shares in return for payment; and
- e) Any Signatory that, in breach of the Shareholders' Agreement, causes a qualified shareholding of 50% of Novabase voting rights to be allocated to the remaining signatories, under the terms of Article 20 of the Securities Code, must immediately initiate the procedure to suspend the tender offer obligation as provided for in Article 190 of the Securities Code. Any Signatory responsible for allocating such voting rights, in the terms specified above, and who fails to execute the proper procedures to suspend and terminate the obligation for a tender offer, will be obliged to launch the tender offer individually.

The Shareholders' Agreement remained in force for a three-year period following its signature. However, any signatory who resigned or was dismissed, with or without just cause, from his/her management duties at Novabase while the Shareholders' Agreement was in force could opt to terminate his/her participation in the agreement.

On 29 February 2008, the market was notified that the signatories of the Shareholders' Agreement, José Afonso Oom Ferreira de Sousa, Pedro Miguel Quinteiro Marques de Carvalho, Rogério dos Santos Carapuça, Luís Paulo Cardoso Salvado, João Nuno da Silva Bento, Álvaro José da Silva Ferreira and Manuel Saldanha Fortes Tavares Festas, had agreed to free up the purchase of Novabase shares by the aforementioned signatories up to a maximum amount of 8.85% of Novabase's share capital, thereby allowing each signatory to purchase up to 397,403 shares. Shares acquired in this manner will not be considered agreement shares, unless otherwise decided by the signatories unanimously.

On the same date, the market was notified that João Vasco Tavares da Mota Ranito and José Carlos de Almeida Pedro de Jesus, following their resignation from Novabase in September 2007 and their request to be released from the Shareholders' Agreement, ceased to be covered by this agreement as of 1 March 2008.

In addition, on 28 October 2008 the market was notified of the signing of a new Shareholders' Agreement signed by shareholders José Afonso Oom Ferreira de Sousa, Pedro Miguel Quinteiro Marques de Carvalho, Rogério dos Santos Carapuça, Luís Paulo Cardoso Salvado, João Nuno da Silva Bento and Álvaro José da Silva Ferreira, centred on 10,488,065 Novabase shares held by them, corresponding to 33.4% of the company's voting rights. The Shareholders'

Agreement entered into force on 20 April 2009, for a period of three years, at which time the prior Shareholders' Agreement referred to above ceased to be valid.

The shares under the new Shareholders' Agreement are held by the aforementioned shareholders in the following quantities:

Name	No. of Shares	% Capital
José Afonso Oom Ferreira de Sousa	2,170,679	6.91%
Pedro Miguel Quinteiro Marques de Carvalho	2,170,679	6.91%
Rogério dos Santos Carapuça	1,774,755	5.65%
Luís Paulo Cardoso Salvado	1,783,543	5.68%
João Nuno da Silva Bento	1,783,543	5.68%
Álvaro José da Silva Ferreira	804,866	2.56%
Total	10,488,065	33.40%

The following contents of this shareholders' agreement are noteworthy:

- a) Obligations regarding the joint creation by all signatories, before the General Meeting of Shareholders for the election in question, of proposals for designating the officers of the General Meeting of Shareholders, Board of Directors, Auditing Committee and Remuneration Committee. A majority must pass such proposals equal to or greater than two thirds of votes corresponding to shares, with signatories assuming the responsibility of voting in favour of proposals they have presented at the General Meeting of Shareholders;
- b) The need for agreement by a majority equal to or greater than two-thirds of votes corresponding to shares to establish terms by which such shares may be sold, together with the potential purchase of Novabase shares by the signatories, with signatories agreeing not to initiate sales or purchases of any kind outside of this agreement;
- c) Notwithstanding the above information, each signatory is authorized, under the terms of the Shareholders' Agreement, to acquire Novabase shares in proportion to the shares held by him/her within the scope of this agreement, providing that the total shares owned by the signatories does not exceed 33% or 50% of the total number of Novabase shares and/or respective voting rights, depending on whether the qualified shareholding of the signatories is greater or less than 33% on that date, pursuant to Article 20 of the Securities Code. Novabase shares acquired in this way will not be considered agreement shares;
- d) In all of the following matters, signatories must exercise their voting right at Novabase's General Meetings of Shareholders by a strict majority equal to or greater than two-thirds of votes corresponding to shares: dividend policy to be adopted, management compensation policy for Novabase directors, increases and decreases in share capital, elimination of the pre-emptive right in increases in capital, composition of corporate boards, Novabase mergers and divisions, and amendments to the articles of association;
- e) Obligation of signatories to vote at General Meetings of Shareholders exclusively in favour of decisions previously passed by a two-thirds or greater majority of signatories

having voting rights corresponding to shares;

- f) The need for unanimity of all signatories for the purchase of Novabase shares that imply the allocation to such signatories of a qualified shareholding exceeding 33% or 50% of Novabase voting rights;
- g) The signatories undertake to ensure that their descendents in the first degree, who have not yet reached legal age, will not acquire any Novabase shares free of charge; and
- h) Any signatory that, in breach of the Shareholders' Agreement, causes a qualified shareholding of 50% of Novabase voting rights to be allocated to the remaining signatories, under the terms of Article 20 of the Securities Code, must immediately initiate the procedure to suspend the tender offer obligation as provided for in Article 190 of the Securities Code. Any Signatory responsible for allocating such voting rights, in the terms specified above, and who fails to execute the proper procedures to suspend and terminate the obligation for a tender offer, will be obliged to launch the tender offer individually.

Any signatory who is dismissed without just cause from his/her management duties at Novabase while the Shareholders' Agreement is in force may opt to terminate his/her participation in the agreement.

Up until the date of entry into force of this Shareholders' Agreement, the prior shareholders' agreement referred to above remained valid. The new Shareholders' Agreement was signed without three of the signatories of the previous agreement. As regards two of these signatories, João Vasco Tavares da Mota Ranito and José Carlos de Almeida Pedro de Jesus, termination of their participation in the current shareholders' agreement had already taken place. With respect to the third of these signatories, Manuel Saldanha Fortes Tavares Festas, the prior Shareholders' Agreement ended on its stipulated expiry date of 20 April 2009.

The signing of these Shareholders' Agreements, particularly the new Shareholders' Agreement, has sought to guarantee shareholder stability for their corresponding three-year periods. Novabase believes that the existence of a shareholders' agreement does not constitute a defensive measure contrary to shareholder interests in itself, since it ensures stability in the management of the company, therefore safeguarding Novabase's corporate and shareholder interests. Furthermore, Novabase believes that because the current shareholders' agreement involves only 33.40% of Novabase's total shares, it should not be considered a defensive measure against any public offerings for acquisition, given that in addition to the fact that it was not established for this purpose, such a shareholders' agreement cannot prevent the transfer of control of the company and therefore the success of any general public offerings for acquisition.

Apart from this Shareholders' Agreement, Novabase has no knowledge of the existence of any other shareholders' agreements regarding its share capital.

III.6 Rules applicable to amendment of the company's articles of association;

Constitutive quorum for the General Meeting of Shareholders

When amendments to the articles of association are under consideration, the General Meeting of Shareholders can only decide on first notice if shareholders having stock corresponding to at least one-third of the share capital are present or represented. This requirement does not apply on second notice, and the General Meeting of Shareholders can then decide on any matter, regardless of how many shareholders are present.

Deliberative quorum for the General Meeting of Shareholders

When amendments to the articles of association are under consideration, the General Meeting of Shareholders decides by a two-thirds majority of the votes cast.

However, should shareholders representing at least half the share capital be present or represented on second notice, the decision on amendments to the articles of association can be taken by an absolute majority of the votes cast, and a two-thirds majority is not required.

III.7 Control mechanisms provided for in a possible employee investment scheme in which voting rights are not directly exercised by them.

There are no employee investment schemes in which voting rights are not directly exercised by them.

III.8 Changes in the issuer's share prices, taking into account the following:

- a) The issue of shares or other securities with share subscription or acquisition rights;*
- b) Announcement of results;*

c) Payment of dividends according to the category of shares with indication of the net amount per share. Novabase's share price fell 34.7% in 2010, compared to a 10.3% drop in the PSI20 and gains of 16.9% in the EuroStoxx Technology Index.

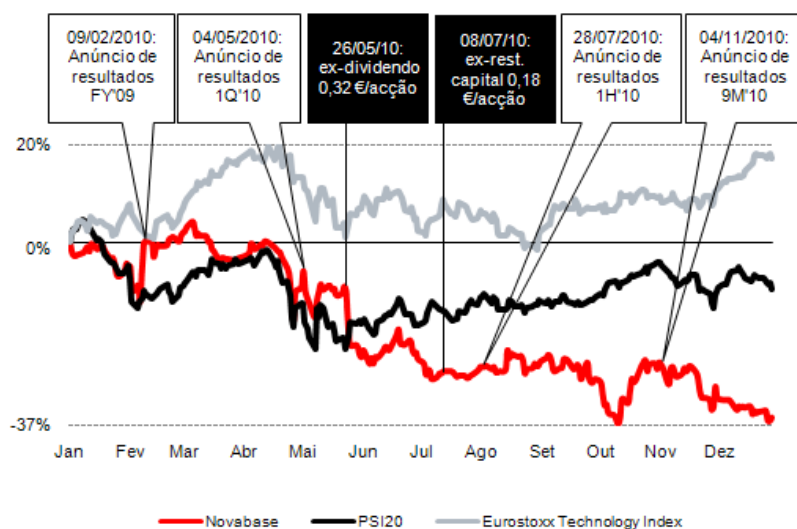
Share turnover accounted for 22.5% of Novabase's capital in 2010, with 7.1 million shares traded, less than in 2009 (turnover of 27.0% of capital, with 8.5 million shares traded).

Novabase's share price fell 34.7% in 2010, compared to a 10.3% drop in the PSI20 and gains of 16.9% in the EuroStoxx Technology Index.

Share turnover accounted for 22.5% of Novabase's capital in 2010, with 7.1 million shares traded, less than in 2009 (turnover of 27.0% of capital, with 8.5 million shares traded).

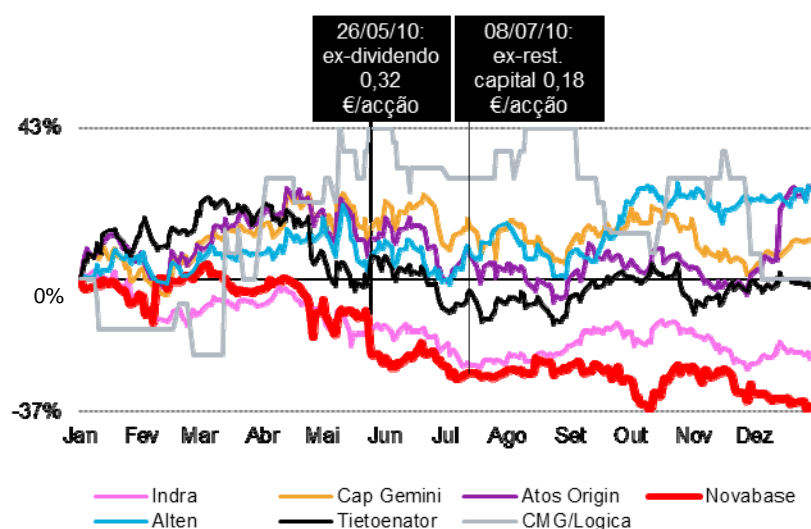
A dividend of €0.32/share was distributed in 2010, with a payment of €0.18/share for the capital decrease.

Novabase and the Market Novabase e o Mercado



In comparing Novabase's share price with other similar companies from Europe's IT sector, one can see that the Novabase share's performance in 2010 was lower than that of other shares.

Novabase and other TMT



The average target price from analysts covering Novabase is €4.83 (average upside of 66.7%), with a unanimous recommendation to buy.

In the 12M10, rotation represented 22,5% of the share capital of Novabase, with 7,1 million shares traded, values below those occurred in the 12M09 (rotation 27,0% of the share capital, 8,5 million shares traded).

Resumo	2010	2009	2008	2007	2006
Cotação Mínima (€)	2,79	3,27	2,10	3,27	5,22
Cotação Máxima (€)	4,63	5,05	5,07	5,91	7,27
Cotação média ponderada (€)	3,71	4,39	3,87	5,17	5,91
Cotação no último dia (€)	2,90	4,44	4,59	3,27	5,50
Nº títulos transaccionados (milhões)	7,1	8,5	21,0	20,2	20,6
Capitalização Bolsista no último dia (M€)	91,1	139,4	144,1	102,7	172,7

The relevant occurrences disclosed by Novabase in 2010 were as follows:

2010-12-19

Unilateral Resolution of Contract for “Electronic School Card (Cartão Electrónico da Escola)”.

2010-11-26

Report and Accounts, 3rd Quarter 2010

2010-11-04

Novabase Announces Consolidated Results for 3rd Quarter 2010

2010-09-17

Manager Transactions.

2010-08-26

Report and Accounts, Semestral

2010-08-12

Manager Transactions.

2010-07-28

Consolidated Results 1st Half of 2010

2010-07-21

Novabase creates company for Digital TV area in France

2010-07-07

Novabase reinforces energy area through the acquisition of assets from Iberwind

2010-06-29

Conclusion of capital reduction and increase, and payments of amounts released

2010-06-11

Novabase – Share Capital Reduction and Increase

2010-05-28

Report and Accounts, 1st Quarter 2010

2010-05-20

Payment of dividend and capital reduction and increase

2010-05-20

Novabase – SGPS, SA, announces sale of treasury shares

2010-05-04

Consolidated Results 1st Quarter of 2010

2010-04-29

Decisions of the General Meeting of Shareholders

2010-04-12

2009 Corporate Governance Report

2010-04-06

Manager Transactions

2010-03-25

Annual Information Consolidation Document.

2010-03-25

General Meeting of Shareholders Notice and Proposals to Reduce/Increase Share Capital

2010-03-24

Qualified Holding

2010-03-23

Manager Transactions.

2010-02-24

Novabase Capital plans to create three new Venture Capital Funds up to €30.91 million

2010-02-09

Novabase announces 2010 guidance.

2010-02-09

Intention to pay shareholders

2010-02-09

2009 Consolidated Results

III.9 Description of the dividends distribution policy adopted by the company, identifying the amount of the dividend per share distributed over the past three financial years.

Dividends for 2000, 2001 and 2002 – the Board of Directors proposed at the General Meetings of Shareholders on 22 May 2001, 29 April 2002 and 29 April 2003 that the profits made in the financial years of 2000, 2001 and 2002 should continue to be invested in the company to enable it to give priority to structural investments with a decisive impact on the company's growth and profitability. The prospectus of the public offer for the sale and admission to official trading of Novabase's shares on the Lisbon and Porto Stock Exchanges (today Eurolist of Euronext Lisbon) had already announced the company's intention not to distribute dividends to the shareholders in the three years following its admission to trading. The General Meeting of Shareholders therefore decided unanimously not to distribute dividends to the shareholders for the financial years ending on 31 December of 2000, 2001 and 2002.

Dividends for 2003, 2004, 2005, 2006, 2007 and 2008 – shareholders present at Annual General Meetings of Shareholders decided not to distribute dividends.

In 2009, Novabase distributed a total of €15.7 million to shareholders, of which €10 million corresponded to 2009 annual profits and €5.7 million corresponded to capital reimbursements. This distribution entailed a total payment of €0.50 per share to shareholders.

Moreover, on 8 February 2011, Novabase announced that its Board of Directors has approved the intention to implement a shareholder earnings policy with the following essential terms and conditions:

- Payment, in 2011, of a cash dividend of €0.13 per share, for a total of €4,082,121.22.
- As of 2012, annual payment of a dividend in an amount ranging between 30% and 40% of consolidated net profit recorded in each financial year.

It also announced that the implementation of the above shareholder earnings policy would remain subject to market conditions, a financial and accounting status at Novabase allowing its

execution, approval at the appropriate corporate board meetings and/or the General Meeting of Shareholders and other applicable legal and regulatory terms and conditions, together with other factors deemed relevant by the Board of Directors at the time.

III.10 Description of the main characteristics of the stock plans and plans for options to purchase stock adopted or in force during the year under review, namely justification for adoption of the plan, category and number of plan recipients, eligibility criteria, inalienability of shares clauses, criteria regarding share prices and the price for exercising options, time frame during which options can be exercised, characteristics of the shares to be attributed, existence of incentives to acquire shares and/or exercise options and the power of the board of directors to execute or modify the plan.

Indication:

a) Of the number of shares needed to meet the exercising of the options attributed and the number of shares needed to meet the number of exercisable options, as a reference at the beginning and end of the year;

b) Of the number of options attributed, exercisable and extinguished during the year;

c) At the General Meeting of Shareholders, assessment of the characteristics of the adopted plans or the plans in force during the year in question.

To date, the Novabase General Meeting of Shareholders has approved four plans for options to allot, subscribe for and/or purchase shares, namely:

- 1st Plan was universal, offering stock options to employees and members of the Board of Directors of Novabase and other companies in the Novabase Group (2000-2002 Plan), passed in the General Meeting of Shareholders of 22 May 2001;
- 2nd Plan for Options to Subscribe and/or Purchase Novabase Stock for the years 2003 to 2005 (2003-2005 Plan), passed in the General Meeting of Shareholders of 29 April 2003, also a universal plan, offering stock options to employees and members of the Board of Directors of Novabase and other companies in the Novabase Group;
- 3rd Stock Options Plan (2006-2008 Plan), passed in the General Meeting of Shareholders of 20 April 2006, covering only the directors of some of the Novabase Group companies, namely those directors who in large part manage these companies, as well as those persons who hold an important position in any company of the Novabase Group on the basis of an employment contract;
- 4th Plan for Options to Allot Shares (2009-2011 Plan) passed in the General Meeting of Shareholders of 28 April 2009, covering only the directors of Novabase SGPS.

The time periods for exercising the first three plans have already expired, and there are no active stock options that can be exercised. The plans implemented by Novabase have sought and still seek to promote investment in the company by employees and/or members of the Board of Directors of the company and other companies in the Novabase Group, with a view to pooling efforts towards developing the company's business activity, achieving its goals and sharing the company's strong growth potential with staff, regardless of their professional category.

The 4th Plan for Options to Allot Shares, in effect from 2009-2011, covers the directors of Novabase.

This Plan for Options to Allot Shares involves ordinary Novabase shares as a performance bonus for participants.

The options are allotted by way of decision of the Remuneration Committee, which will meet for this purpose within 60 days of the commencement of duties. The options may be exercised in phases at three points in time. The first can be exercised on 25 May of the year following that in which the first annual component is attributed, and the other two on the same day (or on the first subsequent working day) in the following months of May, and in blocks corresponding to 1/3 of the number of options attributed. Unexercised options may be exercised on their subsequent maturity dates, although they will automatically expire if not exercised on the last maturity date of 25 May 2012.

Each participant may benefit only once from the options under this plan, which will occur in the year in which they commence their management duties.

The options' strike price is defined before the date of attribution. It should, as a rule, be the arithmetical average of the prices, weighted by the respective volumes, of the transactions of Novabase shares at sessions of the Euronext Lisbon regulated market occurring in the ninety days preceding the participant's commencement of management duties, with any necessary adjustment under the terms of the plan. The strike price of the options allotted to the directors elected at the General Meeting of Shareholders of 28 April 2009 was €4.04 per share.

Under the terms of the plan, exercised options are settled via net share settlement from Novabase's portfolio.

Once the participant notifies the company of his/her intention to exercise options on each of the scheduled dates, the number of shares to allot to this participant (rounded down) is determined by the formula:

No of shares = No. of options exercised x (TP – Strike) / TP

Where:

TP or take-up price = arithmetical average of the prices, weighted by the respective volumes, of the transactions of Novabase's shares at sessions of the Euronext Lisbon occurring in the ninety days preceding the vesting date.

The total number of options attributed under the 4th Plan may under no circumstances exceed the total number of options attributed under the 3rd Plan, pursuant to which the shares corresponding to the options attributed but not yet exercised under this third 2006-2008 Stock Option Plan should not at any time exceed 8% of the total volume of shares representing Novabase's share capital at the time, for the three Annual Loyalty Components comprising the 3rd Plan.

Novabase's Remuneration Committee is responsible for selecting participants in the 4th Plan.

As a rule, changes to strike and take-up prices are not authorized. Whenever financial transactions with potentially relevant impacts on Novabase's share value occur, these prices may be adjusted under the terms of the Plan, but only to offset these transactions' effects, subject to the Remuneration Committee's prior authorization and validation.

The total number of recipients is eight participants.

Implementation of the Plans:

In 2001 the first phase of the current Stock Option Plan was implemented, and by 25 May 2001, 55,964 subscription options for Novabase shares had been exercised, which corresponded to 47.6% of the options attributed and exercisable on that date. The options were exercised by means of an increase in capital decided upon for that purpose on 1 June 2001. Of the 55,964 shares subscribed, 45,043 were subscribed at €8.50, and the remaining 10,921 at €10.40.

In 2002 and 2003, due to the performance of the capital markets, none of the options provided for in the Stock Option Plan were exercised.

In 2004, under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, 150,743 subscription options for Novabase shares were exercised on 25 May 2004, corresponding to 11.9% of the options attributed and exercisable on that date. The options were exercised by means of an increase in capital decided upon for the purpose, whose public recording and corresponding commercial registry occurred on 28 May 2004. The 150,743 shares were subscribed and paid up at the unit price of €4.96.

In 2005, under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, 319,058 subscription options for Novabase shares were exercised on 25 May 2005, corresponding to 8.9% of the options attributed and exercisable on that date. The options were exercised by means of an increase in capital decided upon for the purpose, whose public recording and corresponding commercial registry occurred on 01 June 2005. Of the total 319,058 shares, 314,971 were subscribed and paid up at the unit price of €4.96, and the remaining 4,087 shares were subscribed and paid up at the unit price of €5.87.

In 2006, under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, 2,675,629 subscription options for Novabase shares were exercised on 25 May 2006, corresponding to 48% of the options attributed and exercisable on that date. The options were exercised by means of an increase in capital decided upon for the purpose, whose public recording and corresponding commercial registry occurred on 01 June 2006. Of the total 2,675,629 shares, 2,634,308 were subscribed and paid up at the unit price of €4.96, 38,755 shares were subscribed and paid up at the unit price of €5.87, while the remaining 2,566 shares were subscribed and paid up at the unit price of €6.10.

In 2007, under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, 23,169 subscription options for Novabase shares were exercised on 25 May 2007, corresponding to less than 1% of the options attributed and exercisable on that date (active options). All 23,169 options were subscribed for at the unit price of €4.91 (resulting from the adjustment to the unit price of €4.96, as explained below). The Board of Directors elected to sell treasury shares in lieu of an increase in capital in order to exercise attributed options.

In 2008, under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, 10,974 subscription options for Novabase shares were exercised on 25 May 2008, corresponding to 1% of the options attributed and exercisable on that date (active options). All 10,974 options were subscribed at the unit price of €4.09. The Board of Directors elected to sell treasury shares in lieu of an increase in capital in order to exercise attributed options.

In 2009, under the Stock Option Plan and the Stock Subscription and/or Purchase Option Plan, 10,974 subscription options for Novabase shares were exercised on 25 May 2009, corresponding to 1% of the options attributed and exercisable on that date (active options). All 10,974 options were subscribed at the unit price of €4.09. The Board of Directors elected to sell treasury shares in lieu of an increase in capital in order to exercise attributed options.

In 2009, under the 4th Plan, a total of 1,959,720 options were allotted to Novabase directors participating in the Plan.

On 25 May 2010, the maturity date was reached for Batch 1 (equalling one third of the total) of the options allotted to each participant under the 4th Plan; no options were exercised on this date.

Implementation Summary Chart:

Period	Total Shares Exercised	Shares	Subscription Price	Shares	Subscription Price
2001	55,964	45,043	8.5	10,921	10.40
2004	150,743	150,743	4.96		
2005	319,058	314,971	4.96	4,087	5.87
2006	2,675,629	2,634,308	4.96	38,755	5.87
2006		2,566	6.10		
2007	23,169	23,169	4.91		
2008	10,974	10,974	4.09		
2009	10,974	10,974	4.09		
2010	0	0	0	0	0

Given a hypothetical take-up price, on 31 December 2010, of the options attributed in the 4th Plan, which would be €3.06 per share (calculated according to the above criteria), if all attributed and exercisable options (i.e. 2/3 of the 1,959,720 options allotted to management) were exercised on the next vesting date of 25 May 2011, no shares would be attributed in settlement of the exercised options.

The remaining options attributed to date under the 4th Plan could not be exercised in 2010, or 2011. Given the same criteria as above (including the hypothetical take-up price on 31 December 2010), if all options attributed under the 4th Plan could be exercised on 25 May 2011 (which the Plan does not allow), no shares would be attributed in settlement of the exercised options.

The above information is for information purposes only, since, as stated above, the options attributed under the 4th Plan may only be exercised on the maturity dates specified in the plan: 25 May of the year following that in which the options are attributed, and the same days (or on the first subsequent working day) in the following months of May, in batches corresponding to 1/3 of the number of options attributed.

It is important to note that, bearing in mind (a) the distribution to shareholders in 2010 (as indicated in point III.9) and (b) Novabase's publicly announced intention to implement a shareholder earnings policy including (i) payment, in 2011, of a cash dividend of €0.13 per share, and (ii) as of 2012, annual payment of a dividend in an amount ranging between 30% and 40% of consolidated net profit recorded in each financial year, the options' strike and take-up prices are expected to experience adjustments. Adjustments to the 4th Plan must be made pursuant to clause 8 of the respective regulations, and are subject to prior authorization and validation by the Remuneration Committee.

As regards the shares attributed under the 4th Plan, these cannot be sold or encumbered by participants for a period of one year from their respective date of attribution due to the exercising of these options, with the exception of 50% of all shares attributed on said date.

III.11 A description of the main data on business deals and transactions carried out between the company and between the members of the Management and Supervisory Board or companies in a control or group relationship, provided the amount is economically significant for any of the parties involved, except

for those business deals or transactions that are cumulatively considered within the bounds of normal market conditions for similar transactions and are part of the company's current business.

No business deals or transactions were conducted between the company and the members of its management and supervisory boards, or companies in a control or group relationship, outside of normal market conditions or outside of the company's current business.

III.12 Description of the vital data on business deals and transactions carried out in the absence of normal market conditions between companies and owners of qualifying holdings or entity-relationships with the former, as envisaged in Article 20 of the Securities Code.

No business deals or transactions were conducted between the company and owners of qualified holdings, or entities in any way related to them, outside of normal market conditions.

Notwithstanding the above, with specific regard to business of this sort considered significant in economic terms for either of the parties involved, it should be noted that, in 2009, the Novabase Group's volume of products and services to the BES Group rose to €26.3 million (around 10.9% of 2009 sales), compared to €13.9 million (around 5.9% of sales) in 2010.

These transactions were performed under normal market conditions for similar transactions and are part of Novabase's day-to-day activity.

III.13 A description of the procedures and criteria applicable to the supervisory body when same provides preliminary assessment of the business deals to be carried out between the company and the owners of qualifying holdings or entity-relationships with the former, as envisaged in Article 20 of the Securities Code.

Pursuant to Recommendation No. IV.2 of the Corporate Governance Code, significant business deals with qualified shareholders, or with entities in any way related to them, pursuant to Article 20 of the Securities Code, must be subject to the prior opinion of the supervisory board. The procedures and criteria required to define the relevant level of significance of these deals and other conditions must be established by the supervisory board.

Taking this recommendation into account, on 31 March 2011, Novabase passed Internal Regulations on Transactions with Qualified Shareholders, to which major company business deals with qualified shareholders are subject.

Business deals of this sort include transactions by the company, by entities in a control or group relationship or entities within its consolidation perimeter, with qualified shareholders, or with entities related to them pursuant to Article 20 of the Securities Code.

Significant business deals also include: (i) those that are not part of the day-to-day business of the company, of shareholders or of entities related to them pursuant to Article 20 of the Securities Code, and revolving around a single matter, with a cumulative combined total equal to or greater than, in a given financial year, half-year or quarter, €50,000 (fifty thousand euros), even when the amount of each individual transaction does not exceed this amount; or (ii) those not carried out in normal market conditions.

In the above cases, Novabase's Board of Directors, Executive Committee and bodies, committees and individuals in the Novabase Group with authorization to approve the transaction in question must notify the company's Auditing Committee as soon as possible, and never less than 5 days from the transaction's occurrence, of their intention to approve the transaction.

Such notification to Novabase's Audit Committee must include the following: (a) identification of the body, committee or individual in the Novabase Group making the notification, together with the Novabase Group entity under which said body, committee or individual operates or is found; (b) parties to the transaction; (c) scheduled transaction date; (d) economic and financial terms of the transaction, and its total amount, which must always be specified, even if only an estimate; (e) reason for transaction between the Novabase Group and the entity in question; (f) reason for transaction specifically with customer or supplier in question.

Once the above notification has been received, the Audit Committee must issue its approval or disapproval of the transaction as soon as possible.

In issuing its opinion, the Audit Committee must bear in mind whether the business deal in question will be carried out under normal market conditions for similar transactions, whether it is part of the company's day-to-day business and whether the principle of equal treatment of Novabase Group customers/suppliers will be respected, together with grounds justifying the transaction when digressions to these principles occur, i.e. the need to pursue a higher company interest.

In either case, the Audit Committee must give immediate notification to Novabase's Board of Directors of any prior opinion issued.

III.14 A description of the statistical data (number, average and maximum values) on the business deals subject to preliminary opinion by the supervisory board.

The supervisory board had no prior involvement in the company's business deals in 2010.

III.15 Indication of the availability on the company's website, of annual activity reports drawn up by the general and supervisory board, by the financial matters committee, the audit committee and the supervisory board, including constraints that might be encountered, as well as financial information documents.

A report on the activities carried out by Novabase's Audit Committee is attached to this report and published on Novabase's website.

III.16 Reference to the existence of an Investor Relations Office or other similar service, indicating:

- a) Office functions;*
- b) Type of information provided by the office;*
- c) Means of accessing the office;*
- d) Company website;*
- e) Identification of the market relations representative.*

Novabase is particularly focused on its presence in the capital market. The Investor Relations Office is responsible for representing Novabase in its dealings with the CMVM and investors, while promoting contact with private and institutional, foreign and Portuguese investors.

The office provides information through Novabase's website (www.novabase.pt). Since 2002 Novabase has had a dedicated investor relations area on its company website at www.novabase.pt. Investors have access to a number of links containing information of interest to their profile. In terms of financial information, they have access to Annual Reports and Accounts for previous years, the Financial Calendar, relevant information about the sector

supporting the predictability of earnings, reserved information, information on the composition and powers of the company's Corporate Boards, the names and e-mail addresses of the analysts covering the security, the market consensus on three-year sales and EBITDA margins, the market performance of Novabase's shares, Novabase's shareholders, a space reserved for the General Meetings of Shareholders for convening meetings and posting preparatory information for General Meetings of Shareholders, the form for postal votes and electronic voting (available since 2006), a Corporate Governance space in which Novabase publishes this report, CMVM Regulation No. 1/2010 on the Governance of Listed Companies and Corporate Governance Code and the procedure for reporting irregularities, frequently asked questions, and the contact details of Novabase's Investor Relations Office.

On the date of the General Meeting of Shareholders, a summary of the meeting's decisions is published on the Novabase website and in the CMVM information disclosure system. In addition, the complete corresponding meeting minutes have been published on the Novabase website within the five days following the meeting since the 2009 General Meeting of Shareholders.

On its website, Novabase maintains a collection of past minutes, including the number of people present, number of shareholders represented and the number of institutional investors present, as well as the meetings' agendas and the decisions taken at meetings held over the past three years, in accordance with the provisions of the CMVM's circular letter issued on this matter on 13 February 2009.

Since the 2010 financial year, Novabase has also provided information on voting results at the General Meeting of Shareholders.

The following information is published in English on Novabase's website: a) The company, public company status, headquarters and remaining data provided for in Article 171 of the Commercial Companies Code; b) Articles of Association; c) Credentials of the members of corporate boards and the market liaison officer; d) Investor Relations Office – its functions and access tools; e) Accounts reporting documents; f) Half-yearly calendar on company events; g) Proposals sent through for discussion and voting during the General Meeting of Shareholders; h) Notices convening General Meetings of Shareholders.

The Investor Relations Office can be contacted as follows:

María Gil Marín

Market and Investor Relations

Phone: +351 213 836 300

Fax: +351 213 836 301

E-mail: investor.relations@novabase.pt

Address: Av. D. João II, Lote 1.03.2.3., Parque das Nações, 1998-031 Lisbon, Portugal

III.17 Indication of the amount of annual remuneration paid to the auditor and to other individual or legal persons belonging to the same network supported by the company and/or legal persons that are controlled by or part of a group, and breakdown of the percentage relating to the following services:

- a) Statutory auditing services;*
- b) Other reliability assurance services;*
- c) Tax consultancy services;*
- d) Services other than statutory auditing.*

If the auditor provides any of the services described in sub-paragraphs c) and d), a description of the auditor independence safeguarding measures shall be provided.

For the purpose of this information, the concept of network is that stipulated by European Commission Recommendation no. C (2002) 1873, of 16 May.

Service	2009 ('000€)	2010 ('000€)
Statutory auditing	200	200
Other reliability assurance services	0	0
Tax consultancy services	8	0
Services other than statutory auditing	12	3

Among other duties, the external auditor is responsible for verifying the application of remuneration policies and systems, the efficiency and functioning of internal control mechanisms and the reporting of any shortcomings to the Auditing Committee, thereby fulfilling Recommendation No. III.1.4 of the Corporate Governance Code.

A procedure is in place by which all of the various auditing services are subject to the prior approval of the Auditing Committee. In 2010, auditors were hired to perform services involving the certification and declaration of consolidated annual sales data for training and electrical and electronic equipment; however, these services (as shown in the table above) did not exceed 10% of all auditing services.

The use of such services is justified at the time of their prior approval by the Auditing Committee, primarily due to the functional advantages of Novabase knowledge held by the external auditor from the performance of these duties, in addition to the assurance of independence given by the external auditor in the fulfilment of professional obligations.

III.18 Reference to the external auditor's rotation period.

Recommendation No. III.1.3 of the Corporate Governance Code states that auditors should be rotated at the end of three terms when the term of office of corporate boards is three years, as is the case with Novabase.

Moreover, pursuant to Article 54 of Decree-Law No. 224/2008 of 20 November, in entities of public interest (which, under the terms of the respective legislation, includes listed companies), the maximum period for performing auditing duties by the partner responsible for overseeing or directly performing statutory audits is seven years from his/her appointment, renewable after a minimum period of two years.

Novabase has not adopted any rules on the rotation of external auditors; however, the legal system for statutory auditors – which ensures, in combination with other applicable rules, the independence of external and statutory auditors in the performance of their respective duties – does apply.

Since the partner responsible for statutory audits has provided services to Novabase since 2003 (as a representative of Belarmino Martins, SROC), under Article 54 of Decree-Law No. 224/2008 of 20 November, once seven years had passed in relation to the start of these services (in May 2010), a new partner was appointed to oversee and directly perform Novabase's statutory audits: Jorge Manuel Santos Costa or Ana Maria Ávila de Oliveira Lopes Bertão.

Novabase will consider rotating the external auditor when, in view of the specific situation existing at the company, this is needed to fulfil the provisions of Recommendation No. III.1.3 of the Corporate Governance Code, which has yet to occur.

Annexes:

- *Report from the Audit Committee*
- *Report from the Remuneration Committee*
- *Report from the non-executive directors*

REPORT FROM THE AUDIT COMMITTEE





Report on the Activity of the Audit Committee of Novabase in 2010



1. Scope

1.1. Internal Regulations

The Annual General Meetings of April 2006 and April 2007 have taken significant steps in improving the governance model of Novabase. In 2006, among other measures, the company established the role of independent non executive director and in 2007 opted for the adoption of an “anglo-saxon” governance model, following which the existence of an Audit Committee was established as a statutory auditing body of the company.

1.2. Members of the Committee

The current Audit Committee is composed by:

Luis Mira Amaral (Chairman)

João Luís Correia Duque (Member) and

Manuel Alves Monteiro (Member)

The current members of the Audit Committee were elected on the General Meeting of Novabase on 28 April 2009 for the triennium 2009 - 2011 and also are part of the new composition of the Board of Directors of the group, then elected, fulfilling the requisites established in the law – namely nº 5 artº 414 of the Companies Code.

To be noted that Engº Luís Mira Amaral and Dr Manuel Alves Monteiro carry out their duties in this Committee since 2006, whereas Prof. Doutor João Correia Duque was elected for the first time in 2009.



2. Activities of the Committee

2.1. Scope

In fulfilling the responsibilities attributed to the Committee as an auditing body of the company, the Audit Committee has carried out, over the year, a number of initiatives which had as primary objective to assure that the financial information has been audited by the external auditors with adequate quality and independence standards in strict observance of the best international principles and standards and to monitor the adequate internal control system of the company.

During 2010 this statutory corporate body carried out a total of fourteen formal meetings as well as several informal meetings.

Aiming at maintaining high quality standards in its performance the Committee has also in place a periodic self-assessment of its performance and of the objectives established. This has proven to be an incentive for the continuous improvement of the Committee's action.

In line with the practice already in place, the Committee has a high degree of communication with the Board of Directors, disclosing its activities on a monthly basis.

The present report therefore includes the activities carried out by the Audit Committee during 2010.

2.2. Activities

The current Audit Committee, as a statutory auditing body of Novabase, has the following supervisory competencies among others established in its internal regulations and in artº 423-F of the Companies Code, within which the activities carried out in 2010 are detailed below:

a) To provide opinion on the work carried out by the external auditors, namely overseeing its independence

The Committee carries out, on a regular basis, the supervision of the activity of the external auditors through regular meeting with these auditors.

The Committee evaluates, on a yearly basis, the activity of the external auditors, namely in the respect of its independence, rigor, professionalism and pro-active character, issuing a report which is passed on to the Board of Directors.

Within the established proceeding known as "Non Audit Services", which establishes the need of previous approval by the Audit Committee of all services other than specific



auditing services by the group auditors, no such request of such nature was received by the Audit Committee.

b) Opinion on the quality of the financial information

The Committee analyses the conformity of the financial information issued by the company to be disclosed to the market quarterly.

Regular internal meetings are held jointly with the external auditors and the CFO, not excluding regular meeting in separate with each. These allow the Committee to carry out the analysis of the financial information issued each quarter in more detail as well as allowing for a more sound opinion on the quality and independence of the external auditors.

The Audit Committee has issued an opinion on the financial information each semester, through an audit report.

Compliance with the accounting policy and criteria in the preparation of financial statements were also supervised by means of opinion and discussion with the external auditors.

The Committee holds regular meetings with the CEO and CFO, jointly or separately, building closer relationships with these and assuring a high degree in the sharing of information and discussion of all the financial and operational matters considered relevant in this period.

c) Supervision of the internal control system and the quality and effectiveness of the risk management policies implemented, identifying the different risks for the company and its businesses.

The meetings held with the external auditors had as main theme the auditing work as well as a broad set of other issues relevant to the company, namely those relating to internal control, risks on the company and its businesses, litigation, challenges to the sustainability of the company's business, applicable accounting standards, and best practices in the subject of supervision and warranty of reliability, rigor and independence.

The Committee has accompanied the implementation of the recommendations by the external auditors setting up meetings with the external auditors and the executive managers.

With the objective of gathering and improving updated knowledge of the various businesses of the group, the Committee has set up annual regular meetings with the people responsible for different business areas and geographies with special focus on the business sensitivity for the detection and mitigation of risk on a sustained basis.



The Committee has analyzed the internal audit reports and has followed the implementation of conclusions and guidance namely through joint analysis with the CFO and the people responsible for the business.

With the purpose of following the status of the relevant businesses the Committee holds meetings to gather insight into each business area, objectives and mid term plans as well as identification of the main potential risks for each area and mitigation plans in place.

The Committee has followed the litigation levels occurred in the company with the support of the legal department, with particular focus on the nature and potential financial repercussion.

During 2010, different meetings were set up with the people responsible for internal services with the purpose of gathering more profound operational knowledge of the different internal organic structures as well as maintaining audit on internal control and risk management processes in place.

This Audit Committee devotes special attention to the various potential risks for the company and its businesses undertaking a special effort to get to know them in detail, at the same time seeking to assure that the executive management has a high degree of knowledge of their nature and repercussions to the company, adopting measures leading to an adequate monitoring of their variables and establishing mitigation policies to protect the company businesses and the assets allocated, ensuring the future sustainability of the company and of the legitimate interests of the respective stakeholders, in particular the shareholders.

In compliance with CMVM Recommendations on Governance Practices of listed companies and promoting a responsible and abiding culture, Novabase has adopted in 2009 a system for communication of irregular practices (designated as "SPI") eventually occurred in the Group. The communication of irregular practices through the SPI is addressed to the Audit Committee which has appointed a person Responsible for the SPI to manage these communications. The Committee has therefore followed the implementation of the proceeding relative to irregularities communication practices in 2010, acknowledging the existence of one communication. The pre-defined measures were taken and an analysis of the reported situation was carried out, leading the Committee to the conclusion of the non-existence of an effective irregularity, of which the Board of Directors was informed.

In compliance with the Companies Code, the Audit Committee confirms that in the pursuit of its activities as above it has not come across any limitation to its activity as auditing body.

The Committee has in fact encountered a posture of great cooperation and transparency, both from the people responsible with whom it held contacts and from the team which makes up the Executive Committee, with special note to the Chairman of the Board of Directors, the President of the Executive Committee and the CFO; a posture hereby registered with great satisfaction.

3. Activities to be developed

In the present term, and after an initial stage of establishment of routines and familiarity with a new governance and supervisory model, it was possible to stabilize the acting of the Audit Committee, setting up routines and putting in place proceedings and practices.

At this point, we will continue the work already started, strengthening the duties and mission of this Committee, in order to provide Novabase shareholders, and in general, its stakeholders, with a posture of rigor, transparency and alignment of interests in the running of the company.

Therefore, the Audit Committee plans to have special emphasis on:

- opinion on the quality, rigor and transparency of the external auditors;
- continuing to build close relationships with the CEO, the CFO and other managers of the company, assuring a high level of sharing of information;
- continuing to pursue the analysis and monitoring of the risks on the company and its most relevant businesses;
- implementing actions and proceedings that the self assessment of the Committee may deem adequate with view to the general improvement of the Committee's performance;
- in general, the Audit Committee will maintain a very special attention on other elements and factors which contribute to the sustainability of the company and the profitability of its businesses, contributing towards the effort of creating sustainable value to the stakeholders and the shareholders in particular.

As it has been the case so far, the Audit Committee will continue to count on the committed collaboration of all who work in the company, and in a special note, of the external auditors, the CA and the Executive Committee.

The Committee equally wishes to thank the support and contributions it has received from all during 2010.



4. Conclusion to the Report

In pursuing its mission, the Audit Committee concludes that:

- 1) The management of Novabase acts with high levels of rigor and transparency, which reflect on the quality of managing information issued, on the working conditions of those with the mission of auditing, controlling and supervising, and on the attention it gives to the monitoring and mitigation of risks for the company and its businesses;
- 2) Novabase is audited on a capable, professional and independent manner, the company receiving from the external auditors the necessary and adequate information for the issuing of a report worthy of trust by the shareholders and the market.

The Audit Committee

Luís Mira Amaral (Chairman)

João Luís Correia Duque

Manuel Alves Monteiro

Lisbon, 31 March 2011

REPORT FROM THE REMUNERATION COMMITTEE



Report from the Remunerations Committee for the year 2010
and Recommendations for the Remuneration Policy for the year 2011.

The Remunerations Committee (RC) of Novabase SGPS held one meeting in 2010, on 12 May 2010, at the company's head offices.

This Committee is composed by Dr. Francisco Luis Murteira Nabo (Chairman) and members Dr. Pedro Rebelo de Sousa and Engº João Quadros Saldanha. All members were present at the referred meeting held in 2010.

The work of the RC was guided in 2010 by the stipulated in the remuneration policies approved by the Annual Shareholders Meeting of 20 April 2006. These policies were reinforced for the triennium 2009-2011 of the corporate bodies, in the report presented by this Remunerations Committee to the Shareholders on the Annual Shareholders Meeting of 28 April 2009.

This report summarizes the decisions of the Remunerations Committee during 2010 and includes the annual declaration of the Remunerations Committee on the remuneration policy of the corporate bodies of the company.

PART I
Remunerations Committee Report for the Year

During 2010, at the meeting held on 12 May, the Remunerations Committee deliberated on:

A) The remuneration of the members of the Board of Novabase SGPS's Annual Shareholders Meeting for 2010

The committee unanimously approved to maintain the remuneration of the Chairman of the Annual Shareholders Meeting Dr. António Manuel de Carvalho Ferreira Vitorino of an attendance fee in the amount of 1000 (one thousand) euros per meeting. It also deliberated to maintain the attendance fee per each meeting of the Annual Shareholders Meeting attributed to the Secretary of the Shareholders Meeting Dra. Maria José Santana in the amount of 750 (seven hundred and fifty) euros. These amounts were equal to the amounts established for the prior period.

B) The fixed remuneration of the Executive Board of Directors of Novabase SGPS for the year 2010

The Committee unanimously deliberated that:

The President of the Executive Committee (CEO), Eng.º Luis Paulo Cardoso Salvado, will be attributed a remuneration of 265.300 (two hundred and sixty five thousand and three hundred) euros, payable in 14 equal amounts from 1 January 2010.

The senior members of the Executive Committee, Engs. João Nuno da Silva Bento and Álvaro José da Silva Ferreira will be attributed the amount of 260.610 (two hundred and sixty thousand six hundred and ten euros) payable in 14 equal amounts from 1 January 2010.

The new members of the Executive Committee (EC), elected for the Board of Directors on the last Shareholders Meeting, being the newest members of the EC and considering their duties, will be attributed the amount of respectively 170.800 (one hundred and seventy thousand and eight hundred) euros for Engº Nuno Carlos Dias dos Santos Fórneas and 131.040 (one hundred and thirty one thousand and forty) euros for Dr. Francisco Paulo Figueiredo Morais Antunes. Both will be payable in 14 equal amounts from 1 January 2010.

To all executive members of the board an additional meal allowance will be paid in the amount established for all company employees.

C) On the fixed remuneration of Novabase SGPS's non executive members of the board for 2010.

The Committee has unanimously deliberated that:

The Chairman of the Board of Directors Prof. Rogério dos Santos Carapuça will be attributed the sum of 238.700 (two hundred and thirty eight thousand seven hundred) euros payable in 14 equal amounts from 1 January 2010. This corresponds to a significant commitment of the Chairman in the daily running of the company which we wish to maintain in the present term.

The non executive members of the Board of Directors Engº José Afonso Oom Ferreira de Sousa and Dr. Pedro Miguel Quinteiro Marques de Carvalho (former executive directors) in light of the foreseeable maintenance of activity in the daily running of the company, will be attributed, each, the amount of 106.120 (one hundred and six thousand one hundred and twenty) euros payable in 14 equal amounts from 1 January 2010.

The non executive member Engº Joaquim Manuel Jordão Sérvulo Rodrigues, considering that he does not participate in the Audit Committee, will be attributed the gross remuneration of 15.862 (fifteen thousand eight hundred and sixty two) euros payable in 14 equal amounts from 1 January 2010.

The non executive members of the Audit Committee Engº Luis Fernando Luis Mira Amaral, Dr. Manuel Alves Monteiro and Prof. João Correia Duque will be attributed each the amount of 39.424 (thirty nine thousand four hundred and twenty four) euros payable in 14 equal amounts from 1 January 2010.

Prof. João Luis Correia Duque is hereby authorized, considering his relationship with the Institute, to be paid through the service contract celebrated with ISEG, Instituto Superior de Economia e Gestão in the beginning of the current term and after clearance by this Remunerations Committee.

Considering the increase referred above, the sum of the Board Members remuneration for the year 2010 increased 2,37% in relation to 2009.

D) On the attribution of the cash component of the variable remuneration of the Members of the Board of Novabase SGPS for 2010.

In this matter and considering the previous decision by this committee on 23 August 2004, according to which the variable remuneration of the Members of the Board of Novabase SGPS is composed by two components: one in cash to be defined by the RC after approval of the Accounts each year according to the company's and each board member performance that year, and one in stock options of Novabase SGPS shares, and considering that this matter had already been decided upon by the RC during 2009, this Committee only decided on the attribution of the cash component for the year 2009.

Therefore, and given the strong increase of net profit for the year 2009 compared to 2008, the RC decided to increase in proportion the amount of the cash component to be attributed to the members of the board in place in the previous year. Therefore the RC unanimously approved the payment of the total gross amount of 1.932.000 (one million nine hundred and thirty two thousand) euros for all the board members in place in 2009 which compares to the amount 241.120 (two hundred and forty one thousand one hundred and twenty) euros paid to all the board members in 2009 and in line with the increase of net profit of the company of 12.9 million euros compared to 1.6 million euros in 2008.

Also given the contribution of the board members in 2009, the RC unanimously attributed the amount of 368.000 (three hundred and sixty eight thousand) euros payable to each of the executive directors Luis Paulo Cardoso Salvado (CEO), João Nuno da Silva Bento and Álvaro José da Silva Ferreira, 239.200 (two hundred and thirty nine thousand two hundred euros) to the executive director Nuno Carlos Filipe dos Santos Fórneas, 147.200 (one hundred and forty seven thousand two hundred) euros to the executive director Francisco Morais Antunes, 294.400 (two hundred and ninety four thousand four hundred) euros to the Chairman of the Board of Directors Rogério dos Santos Carapuça (which for 4 months of 2009 also performed the duties of president of the Executive Committee and during the remainder of the term supported the Executive Committee), and for the members of the board José Afonso Oom Ferreira de Sousa and Pedro Miguel Quinteiro Marques de Carvalho (to whom were attributed duties beyond the responsibilities as non executive directors) the amount of 73.600 (seventy three thousand six hundred euros).

All independent members of the board and the non executive member Joaquim Sérvulo Rodrigues were not attributed any variable component in their remuneration.

E) On payments relative to the destitution or mutual agreement cessation of board members.

In 2010, no payments were made referring to the destitution or mutual agreement cessation of duties of members of the board.

PART II

Declaration of the Remunerations Committee on the Remuneration Policy of Corporate Bodies

Given the experience of the committee in the year ended, the committee believes that the general principles guiding the remuneration of the management bodies of Novabase, as approved by the shareholders on 20 April 2006 and further confirmed on 28 April 2009, establish a best practice and as such should be maintained.

The most relevant principles defended by the RC on its annual declaration presented to the General Meeting of Shareholders on 28 de April 2009 for the triennium 2009-2011 of the corporate bodies, are:

- a. Allocation to the non executive independent board members (which make up the Audit Committee) of an exclusively fixed remuneration. The attribution of this remuneration to the non executive independent board members is aligned with the company's interests as it assures the independence of such board members in carrying out their duties.
- b. Allocation to the remaining board members, in accordance with case determination from the Remunerations Committee, of just a fixed component or a fixed and a variable component.
- c. The attribution of a variable component should consider the alignment of these board members with the shareholders' interests both in the short and medium and long term, therefore making it advisable the attribution of a two fold component.
- d. The first part of the variable component should be payable annually in cash and should be directly related to the company's performance in the year ended, assessed for instance in terms of the net profit obtained and with the responsibility and performance of each board member in particular.
- e. The second part of the variable component should have as an objective to align the board members with the stock performance of the company in the triennium and may take the form of a stock option plan that should be approved by the shareholders at a General Meeting as well as the respective regulations. The Remunerations Committee applies the same regulations in the determination of the number of shares to be attributed to each board member. The General Meeting on 28 April 2009 effectively approved a stock options plan and the respective regulations. The criteria for the attribution of stock options are established in this regulation in the respective annex. There was no deliberation on this matter in 2010, the current determinations remaining in place until the end of the current term.
- f. The members of the General Meeting shall have an attendance fee remuneration only.
- g. The remuneration of the external auditor of the company will be in accordance with the market practices and the adequate performance of the duties to be defined by the board of the company under proposal by the Audit Committee.

We further inform that the stock option plan establishes that the options under such plan are to be attributed only once to each participant in the year they begin their management duties for the triennium 2009-2011. These options, however, are to be divided in three, each amounting to 1/3 of the total. Each of these can be exercised on the following dates: 25 May 2010, 25 May 2011 and 25 May 2012.

In this manner, although there is no possibility for the payment of this component to take place after the current term, at least 1/3 of the stock options can only be exercised after the end of this term and with disclosure of the accounts for the respective period.

On the other hand, it is to be noted that there are no limitation mechanisms in place for the variable remuneration in the event that the company results show a relevant deterioration to the company's performance in the prior year or when this is expectable for the current year. In the event of this deterioration this would reflect, however, on the determination of the variable components of the remuneration, in accordance to the principles described above.

It is also to be noted that the remuneration of the board members is determined exclusively in light of the goals described above, without consideration of any comparison with remuneration policies or practices of other companies or group of companies.

Considering that this practice has proved to be adequate and it is approved by the shareholders for the present term until the end of 2011, this committee recommends that no changes to the policy are made before the end of the term, that is, during 2011.

Lisbon, 21 March 2011

The Remunerations Committee

Francisco Luis Murteira Nabo (Chairman)

Pedro Rebelo de Sousa (Member)

João Quadros Saldanha (Member)

REPORT FROM THE NON-EXECUTIVE DIRECTORS



2010 Report from Novabase SGPS Non-Executive Directors

In 2010, the Novabase SGPS Board of Directors was made up of the following members:

Rogério dos Santos Carapuça (*Chairman of the Board of Directors*)

Executive members:

Luis Paulo Cardoso Salvado (*Chairman of the Executive Committee*)

João Nuno da Silva Bento

Álvaro da Silva Ferreira

Nuno Carlos Dias dos Santos Fórneas

Francisco Morais Antunes

Non-executive members:

José Afonso Oom Ferreira de Sousa

Pedro Miguel Quinteiro Marques de Carvalho

Joaquim Sérvulo Rodrigues

Independent non-executive members:

Luis Fernando de Mira Amaral (*Chairman of the Audit Committee*)

Manuel Alves Monteiro

João Correia Duque

The latter make up the Audit Committee. Together, the non-executive members (seven) account for the majority of the members of the Board of Directors, since there are five executive members out of a total of twelve board members.

On average, the Board of Directors met once per month; the Audit Committee, in turn, was appointed by the General Meeting of Shareholders.

As part of its activities at the company, the non-executive signatories of this report – some of whom are also members of the Board of Directors Performance Assessment Committee – analyzed the work of the Novabase SGPS Board of Directors, which is disclosed in this report.

Similar to the previous year, an analytical methodology was followed using principles from “*Back to the Drawing Board, Designing Corporate Boards for a Complex World*” by Colin B. Carter/Jay W. Lorsch, Harvard Business School Press.

In our opinion, by systematically applying these principles, the most important aspects of a Board of Directors’ activities can be analyzed, and conclusions can be drawn on the effectiveness, efficiency and transparency of a company’s corporate governance model.

In this way, over the Board of Directors' current term of office, we will continue to use this tool as a backbone of our annual reports.

PART I
2009 Performance Assessment of the Novabase SGPS Board of Directors
(following the structure in the aforementioned book)

Roles of the Board

Approve company strategy, plans and budgets and associated performance monitoring

The strategy is discussed at length based on presentations from the CEO, and its realization in the year in question is reviewed and approved. The annual plan and budget are discussed and approved by the board.

Approval of major investments and disinvestments

These are discussed and approved by the board. In 2010, the decision to establish a company in Angola was approved, and the first steps were taken in the COB (chip-on-board) business. Novabase Capital venture capital fund applications were discussed and approved. Based on approvals and contractual terms and conditions, the funds that Novabase Capital chose to back were selected.

An investment in a new operations centre (the "Agile Centre") was approved.

Approval of capital structure, dividend policy and accuracy/transparency of main company accounting items

The Board of Directors and Audit Committee regularly follow indicators on the progress of the capital structure and major changes to it. The Audit Committee closely monitors the activities of the external auditor, analyzes accounting items and forwards its analysis to the Board of Directors. The Audit Committee meets regularly with the CEO and CFO to analyze these items, together with any issues raised by the auditors.

Assurance of identifying and managing main risks

The Audit Committee, together with the external auditor, CEO and CFO, follows the main risks of the company and its business pursuits, notifying the Board of Directors of key issues for discussion whenever needed. Following the Audit Committee's suggestion last year (documented in the previous report from the non-executive directors), the position of Chief Risk Officer (CRO), who reports to the Chairman, was created. A regular meeting was established to monitor the issue of risk on a quarterly basis. This meeting includes the Chairman, CRO and Audit Committee.

Appointment of Executive Committee and CEO, and assurance of succession plan

The CEO's succession occurred in 2009. The prior Chairman and CEO (Rogério Carapuça) took the sole position of Chairman; a new CEO, Luis Paulo Salvado (former CFO), was simultaneously appointed, whose duties were transferred to a new Executive Committee member, Francisco Antunes.

The Board of Directors was responsible for appointing the Executive Committee and CEO in 2009. There were no changes in 2010.

Assurance of compliance with legal and regulatory aspects, and establishment of company ethical standards

The Board of Directors regularly analyzes the main regulatory provisions (in our case, those issued by the Portuguese Securities Market Commission or CMVM); its specialized corporate governance committee does an in-depth analysis of compliance with applicable legal provisions and recommendations, and approves, prior to Board of Directors discussion, the annual corporate governance report. The Corporate Governance Model Assessment Committee met twice in 2010. The first meeting was to approve the corporate governance report to submit to the General Meeting of Shareholders as part of the 2009 annual report and accounts. The purpose of the second meeting, held in September 2010, was to reflect on market practices in this regard and the model's future.

No internal ethics code exists at this time; this is considered an area for future work.

Main Tasks

Company and executive management performance monitoring

The performance of the company and its managing bodies is monitored regularly (each month) by the Board of Directors and the Board of Directors Performance Assessment Committee, respectively. All members of the Board of Directors are invited to the annual company kick-off and monthly status quo review meetings.

Key decision-making

The Novabase Board of Directors analyzes and makes the most important decisions with regard to the company, delegating the day-to-day running of the company to the Executive Committee, pursuant to the terms of approved delegation of powers.

Advising executive management and the CEO

Yes; this is done whenever so justified.

In accordance with the approved governance model, the Chairman may take part in Executive Committee meetings without voting rights (and did so in most of the committee's meetings in 2010).

Variables monitored in greater detail and frequency

Financial performance

Reviewed monthly by the CEO, CFO and Audit Committee; reviewed and approved monthly by the Board of Directors.

Competitive position

Analyzed whenever relevant on a business-by-business basis.

Risk exposure

Analyzed monthly by the Audit Committee and external auditors. Analyzed in the meeting between the Chairman, CRO and Audit Committee (quarterly).

Development of executive management

The CEO performs this role on a day-to-day basis with his/her executive team members. Given the good relationship between them, the Chairman shares many daily aspects of the company's business with the CEO.

Organizational climate

There is an annual employee survey on the performance of operating areas, whose results are analyzed by the Executive Committee. This tool measures the degree of employee satisfaction with services provided by the organization that are reflected internally.

The kick-off and other events also help to determine whether a good climate exists at the organization.

In 2010, major work was done on the company's vision, brand, culture and values, with changes made to the organizational structure. This process was monitored at length by the Board of Directors, and involved various stakeholders, including employees.

Customer Satisfaction

Regular surveys are conducted, with high response rates, whose results are shared with the Board of Directors. The results obtained in 2010 were exceptional, and even better than the excellent results obtained in 2009. These are recounted in the annual report and accounts.

Information to share between the Executive Committee and the Board

In which businesses is shareholder value created and destroyed?

The overall performance of all businesses is analyzed monthly by the Board of Directors, together with key situations that create or detract from value.

What are the trends for our business margins (3 years out)?

Although these changes are not forecasted specifically, the Board of Directors does analyze long sequences of results that naturally include this indicator, which has held stable in the main businesses. An informal medium-term prospective analysis is carried out, together with formal projections for the upcoming quarter.

What are the main risks faced by the company, and how are they managed?

These are analyzed regularly by the Audit Committee, Board of Directors and risk analysis meeting referred to above.

Are there any aggressive practices in terms of reporting financial information?

No.

What are the most significant investments (or disinvestments) currently underway at the company, and how are they being carried out?

This is analyzed regularly. The Board of Directors approves all of those that are significant.

What is the organizational climate like? How is employee morale?

What do we do to attract and keep talent?

Good. Already explained above. The company has built powerful tools for attracting and keeping talent. Among these are the Novabase Academy, Novabase Campus and involvement in the CMU Portugal program.

Are we gaining or losing market share?

This analysis is currently relevant for Portugal. Given the growth of Novabase and the market, it turns out that our market share is growing, which is typical in difficult economic times (the strongest players get stronger). We continue to grow in the Angola region. We are focusing on internationalization more and more. International business grew 20% during the period.

What is the customer satisfaction level like?

Very high (explained earlier). Described in the annual report and accounts.

What is our corporate image like? What do stakeholders think?

The work in this area (which was very significant) has already been mentioned.

How does our strategy differ from that of our main competitors?

Topic analyzed on a business-by-business basis, as there are various differences between them. The Board of Directors takes part in this analysis.

What do the primary analysts following our stock think of it?

What do they base their analyses on?

The CEO, CFO and IRO (in charge of investor relations) do road shows every quarter. The Chairman has also taken part. A meeting is held with key analysts each quarter following the publication of results. Their analyses are public, and therefore read by the Board of Directors. Various investment houses follow the Novabase share on a regular basis.

Performance of the Board

Does the Chairman have an effective leadership style?

Yes.

Do the Chairman and CEO have a good relationship?

Yes. They have had a long-standing working relationship of trust for a number of years, which has greatly facilitated their bi-directional, day-to-day relations.

Do they both understand their roles and how they differ?

Yes. The Executive Committee's self-assessment report specifically states this, together with the good relationship with the Chairman. It also states that the relationship with the CEO is very fitting, cordial and effective.

Does the CEO encourage input from the Board?

Yes. The CEO meets periodically with the Audit Committee, and always asks for input from the Board during meetings and individually from various non-executive members.

Do the Board of Directors and Executive Committee have constructive relationships?

Yes. Completely.

Do members of the Board of Directors and Executive Committee have normal working relationships outside of board meetings?

Yes. Various non-executive members perform activities and actions in synchrony and at the request of executives.

Can board members easily raise questions for discussion, whether for or against positions approved by the group?

Yes. Completely.

Do board members present their views in a constructive manner?

Yes. Always.

Once a decision has been reached, do disagreeing members support it?

Yes. Completely.

Does the Executive Committee quickly notify the Board of Directors of any bad news?

Yes. The meeting minutes of the Board of Directors show that all major situations are analyzed in a timely manner. In 2009, the closing of Technotrend and final closing of the mobility business, (previously begun and constantly monitored) were closely analyzed. Judicial proceedings in progress with potential and/or some significance are also analyzed regularly. Potential situations of greater significant risk in projects are reported regularly, and the board takes part in all major situations in all of these areas.

PART II

Conclusions

Novabase's corporate governance model works well. All of the relevant aspects of how it works are detailed in the analysis in PART I of this report. The suggestion for improvement in the area of risk from 2009 was embraced in 2010.

In 2010, Novabase was one of only two Portuguese listed companies outside of the PSI index analyzed in a CMVM corporate governance study, showing that it is a benchmark in this area. The results obtained in this study were excellent.

The non-executive directors thought that it was important to give this report a clear framework for assessing the board's performance which, we believe, may also contribute significantly towards efforts in this area among Portuguese listed companies.

Lisbon, 30 March 2011

The non-executive directors

Rogério Carapuça
(Chairman)

Luis Mira Amaral
(Chairman of the Audit Committee)

José Afonso Oom Ferreira de Sousa

Pedro Marques de Carvalho

Manuel Alves Monteiro

João Correia Duque

Joaquim Sérvulo Rodrigues

ACCOUNTS



**Consolidated Financial Statements
for the year ended 31 December 2010**

NOVABASE S.G.P.S., S.A.

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I. CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2010

NOVABASE S.G.P.S., S.A.

Consolidated Statement of Financial Position as at 31 December 2010

(Amounts expressed in thousands of Euros)

	Note	31.12.10	31.12.09
Assets			
Non-Current Assets			
Property, plant and equipment	7	9,836	8,721
Intangible assets	8	31,229	28,778
Investments in associates	9	1,676	1,914
Available-for-sale financial assets		21	25
Deferred income tax assets	10	10,396	8,341
Other non-current assets	11	69	134
Total Non-Current Assets		53,227	47,913
Current Assets			
Inventories	12	10,403	8,593
Trade and other receivables	14	83,285	94,060
Accrued income	15	14,035	11,055
Income tax receivable		3,378	4,802
Derivative financial instruments	16	197	58
Other current assets	17	3,834	2,485
Cash and cash equivalents	18	28,088	24,972
Total Current Assets		143,220	146,025
Assets for discontinued operations	40	49	826
Total Assets		196,496	194,764
Equity			
Share capital	19	15,701	15,701
Treasury shares	19	(603)	(723)
Share premium	19	43,560	49,213
Reserves and retained earnings	20	21,063	16,425
Profit for the year		13,053	12,882
Total Equity attributable to owners of the parent		92,774	93,498
Non-controlling interests	21	5,724	5,644
Total Equity		98,498	99,142
Liabilities			
Non-Current Liabilities			
Borrowings	22	7,879	3,968
Provisions	23	1,633	2,245
Deferred income tax liabilities	10	909	100
Other non-current liabilities	24	927	1,123
Total Non-Current Liabilities		11,348	7,436
Current Liabilities			
Borrowings	22	5,333	4,502
Trade and other payables	25	57,101	62,774
Income tax payable		311	290
Derivative financial instruments	16	353	139
Deferred income and other current liabilities	26	22,807	19,662
Total Current Liabilities		85,905	87,367
Liabilities for discontinued operations	40	745	819
Total Liabilities		97,998	95,622
Total Equity and Liabilities		196,496	194,764

THE ACCOUNTANT

THE BOARD OF DIRECTORS

The accompanying notes are an integral part of these consolidated financial statements

NOVABASE S.G.P.S., S.A.
Consolidated Statement of Comprehensive Income
for the year ended 31 December 2010

(Amounts expressed in thousands of Euros)

	Note	12 M *	
		31.12.10	31.12.09
Sales	5	103,975	117,634
Services rendered	5	132,356	123,780
Cost of sales		(90,125)	(103,761)
External supplies and services	27	(50,378)	(45,308)
Employee benefit expense	28	(75,607)	(70,503)
Other gains/(losses) - net	29	1,947	(109)
Depreciation and amortisation	30	(5,478)	(5,111)
Operating Profit		16,690	16,622
Finance income	31	5,256	2,960
Finance costs	32	(5,371)	(2,787)
Share of loss of associates	33	(255)	(1,113)
Profit Before Income Tax		16,320	15,682
Income tax expense	34	(2,628)	(2,634)
Profit for the Year		13,692	13,048
Other comprehensive income		-	-
Total comprehensive income for the year		13,692	13,048
Profit attributable to:			
Owners of the parent		13,053	12,882
Non-controlling interests	21	639	166
		<u>13,692</u>	<u>13,048</u>
Total comprehensive income attributable to:			
Owners of the parent		13,053	12,882
Non-controlling interests	21	639	166
		<u>13,692</u>	<u>13,048</u>
Earnings per share			
attributable to owners of the parent (Euros per share)			
Basic earnings per share	35	<u>0.43 Euros</u>	<u>0.43 Euros</u>
Diluted earnings per share	35	<u>0.43 Euros</u>	<u>0.42 Euros</u>

12 M * - period of 12 months ended

THE ACCOUNTANT

THE BOARD OF DIRECTORS

NOVABASE S.G.P.S., S.A.

Consolidated Statement of Changes in Equity for the year ended 31 December 2010

(Amounts expressed in thousands of Euros)

Note	Attributable to owners of the parent						Non-controlling interests	Total Equity
	Share capital	Treasury shares	Share premium	Legal reserves	Stock options reserves	Reserves and retained earnings		
Balance at 1 January, 2009	15,701	(429)	49,213	1,276	854	16,818	5,165	88,598
Total comprehensive income for the year	-	-	-	-	-	12,882	166	13,048
Transactions with owners								
Legal reserve	-	-	-	282	-	(282)	-	-
Treasury shares movements	19	(294)	-	-	-	(2,458)	-	(2,752)
Share-based payments (a)	19	-	-	-	(854)	854	-	-
Share-based payments	19 / 28	-	-	-	379	-	-	379
Changes in consolidation universe	21	-	-	-	-	-	(142)	(142)
Transactions with owners	-	(294)	-	282	(475)	(1,886)	(142)	(2,515)
Changes in ownership interests in subsidiaries that do not result in a loss of control								
Transactions with non-controlling interests	20 / 21	-	-	-	-	(444)	455	11
Balance at 31 December, 2009	15,701	(723)	49,213	1,558	379	27,370	5,644	99,142

(a) Transfer of the balance of share options fully vested.

Balance at 1 January, 2010	15,701	(723)	49,213	1,558	379	27,370	5,644	99,142
Total comprehensive income for the year	-	-	-	-	-	13,053	639	13,692
Transactions with owners								
Share capital reduction	19	(5,652)	-	-	-	217	-	(5,435)
Share capital increase	19	5,652	(5,652)	-	-	-	-	-
Dividends to equity holders		-	-	-	-	(9,662)	-	(9,662)
Legal reserve		-	-	807	-	(807)	-	-
Treasury shares movements	19	-	120	-	-	816	-	936
Share-based payments	19 / 28	-	-	-	697	-	-	697
Changes in consolidation universe	21	-	-	-	-	-	173	173
Foreign currency translation reserve		-	-	-	-	7	10	17
Transactions with owners	-	120	(5,652)	807	697	(9,429)	183	(13,274)
Changes in ownership interests in subsidiaries that do not result in a loss of control								
Transactions with non-controlling interests	20 / 21	-	-	-	-	(319)	(742)	(1,061)
Balance at 31 December, 2010	15,701	(603)	43,560	2,365	1,076	30,675	5,724	98,498

THE ACCOUNTANT

THE BOARD OF DIRECTORS

The accompanying notes are an integral part of these consolidated financial statements

NOVABASE S.G.P.S., S.A.

Consolidated Statement of Cash Flows for the year ended 31 December 2010

(Amounts expressed in thousands of Euros)

		12 M *	
	Note	31.12.10	31.12.09
Cash flows from operating activities			
Cash receipts from customers		245,289	248,690
Cash paid to suppliers and employees		(222,270)	(223,405)
Cash generated from operations		23,019	25,285
Income taxes paid		(2,068)	(3,356)
Other operating proceeds / (payments)		2,215	(2,181)
		147	(5,537)
Net Cash generated from operating activities		23,166	19,748
Cash flows from investing activities			
Receipts:			
Proceeds on disposal of subsidiaries and associates		78	78
Cash of Novabase Angola consolidated for the 1st time		349	-
Loan repayments received from associates		529	229
Interest received		208	826
		1,164	1,133
Payments:			
Acquisition of subsidiaries and associates		(444)	(3,417)
Loans granted to associates		(420)	(805)
Loans received from associates		-	(1,505)
Purchases of property, plant and equipment		(3,736)	(1,982)
Purchases of intangible assets		(4,199)	(1,416)
		(8,799)	(9,125)
Net Cash used in investing activities		(7,635)	(7,992)
Cash flows from financing activities			
Receipts:			
Proceeds from borrowings		6,767	3,188
Proceeds from sale of treasury shares	19	-	45
		6,767	3,233
Payments:			
Repayments of borrowings		(2,043)	(4,274)
Dividends paid	36	(9,662)	-
Share capital reduction	36	(5,435)	-
Payment of finance lease liabilities		(1,645)	(1,707)
Interest paid		(517)	(848)
Purchase of treasury shares	19	-	(3,715)
		(19,302)	(10,544)
Net Cash used in financing activities		(12,535)	(7,311)
Cash, cash equivalents and bank overdrafts at beginning of year		24,026	19,796
Net increase in cash, cash equivalents and bank overdrafts		2,996	4,445
Effect from change in consolidation universe	18	-	(215)
Effect from exchange rate fluctuations on cash held		35	-
Cash, cash equivalents and bank overdrafts at end of year	18	27,057	24,026

12 M * - period of 12 months ended

THE ACCOUNTANT

THE BOARD OF DIRECTORS

The accompanying notes are an integral part of these consolidated financial statements

NOVABASE S.G.P.S., S.A.
Notes to the Consolidated Financial Statements
for the year ended 31 December 2010

1. General information

Novabase, Sociedade Gestora de Participações Sociais, SA (hereunder referred to as Novabase or Group), with its head office in Av. D. João II, Lote 1.03.2.3, Parque das Nações – 1998-031 Lisboa - Portugal, holds and manages financial holdings in other companies as an indirect way of doing business, being the Holding Company of Novabase Group.

The Group Novabase operates in four business areas:

(i) **Consulting** - This area of Novabase specializes in business process consulting, and in designing and deploying applications solutions to support these processes, with a paramount position in the domestic market and a solid international track record. Consulting has a structure combining, in a consistent yet flexible manner, sector-specific knowledge of primary markets with solid technology specialization organized around the following competencies: Business & IT Consulting, Advanced Custom Development, Business Intelligence, Enterprise Applications & Integration and IT Contracting.

(ii) **Infrastructures & Managed Services (IMS)** - This area of Novabase focuses its engineering and consulting expertise on ICT, primarily in the provision of services involving the life cycles of intelligent information infrastructures. Its comprehensive service portfolio includes planning and deployment, design and process optimization, culminating in the infrastructure's management and operation or outsourcing. IMS is divided into four main service areas: Intelligent Infrastructures, IT Management, Managed Services & Outsourcing and Ticketing & Solutions.

(iii) **Digital TV** - Novabase Digital TV is now a player on an international scale, positioned in the market in closer alignment with the strategy of intellectual property, system integrator and a solid focus on products and services targeting Telecommunication, Television and Media Operators. Created in 2000, this area's product and service portfolio includes solutions for all digital video appliances available on the market, through licensing or COB/SIP.

(iv) **Novabase Capital** - This area develops a Corporate Venture Capital activity throughout Novabase Capital, Sociedade de Capital de Risco, S.A., which has as main purpose to identify and support Portuguese ICT business projects, in early development or expanding, with high value potential and synergies with Novabase. Novabase Capital is the managing company of 'Fundo de Capital de Risco para Investidores Qualificados Novabase Capital'.

Novabase is listed on the Euronext Lisbon.

The share capital is represented by 31,401,394 shares (2009: 31,401,394 shares), and all shares have a nominal value of 0.5 Euros each.

These consolidated financial statements were approved for issue by the Board of Directors on March 31, 2011. In the opinion of the Board of Directors these financial statements fairly present the Group operations, as well as its financial position, financial performance and cash flows.

These financial statements will be approved in the General Meeting of Shareholders.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

2.1. Basis of preparation

The consolidated financial statements of Novabase have been prepared in accordance with International Financial Reporting Standards - IFRS, as adopted by the European Union (EU).

a) The impacts of the adoption of standards and amendments to standards that became effective at 1 January 2010, are the following:

Standards

• **IFRS 1 (amendment)**, 'First-time adoption of International Financial Reporting Standards'. This amendment exempt entities that use the full cost method for oil and gas properties from retrospective application of IFRSs. It also exempts entities with existing leasing contracts from reassessing the classification of those contracts in accordance with IFRIC 4, 'Determining whether an arrangement contains a lease', as long as the earlier assessment in accordance with the previous GAAP would have resulted in the same outcome. This amendment had no impact on the Group's financial statements, as Novabase is already reporting under IFRSs.

• **IFRS 3 (revised)**, 'Business combinations'. The revised standard continues to apply the acquisition method to business combinations but with some significant changes. For example, all payments to purchase a business are recorded at fair value. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at the non-controlling interest's proportionate share of the acquiree's net assets or at fair value of the assets and liabilities acquired. All acquisition-related costs are expensed. There have been no business combinations until the reporting date.

• **IAS 27 (revised)**, 'Consolidated and separate financial statements'. IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains or losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. There have been transactions with non-controlling interests as disclosed in note 20.

• **IFRS 5 (2008 improvement)**, 'Non-current assets held for sale and discontinued operations'. This improvement clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosures should be made if the subsidiary described above is a disposal group meeting the definition of a discontinued operation. There have been no disposal or partial disposal of any subsidiary until the reporting date.

• **IFRS 2 (amendment)**, 'Group cash-settled share-based payment transactions'. This amendment incorporate IFRIC 8, 'Scope of IFRS 2' and IFRIC 11, 'IFRS 2 - Group and Treasury Share Transactions', and address the classification of group arrangements, in which the entity that receive goods or services in a share-based payment transaction settled by the Group, is not responsible for any payment. The amended IFRS 2 had no impact on the Group's financial statements.

• **IAS 39 (amendment)**, 'Financial instruments - eligible hedged items'. This amendment clarifies on what principles to apply in specific situations to determine whether a hedged risk or a portion of cash-flows is eligible to be designated as "hedging". This amendment had no impact on the Group's financial statements.

• **Annual improvements to IFRSs – 2009**. As part of the 'annual improvements project', the IASB decided to improve some standards with the objective to clarify areas of inconsistency in IFRSs. The more significant improvements refers to the amendments to standards IAS 17, IAS 36 and IAS 38. The adoption of these 2009 improvements had no impact on the Group's financial statements.

Interpretations

• **IFRIC 12**, 'Service concession arrangements'. IFRIC 12 addresses how service concession operators should apply existing International Financial Reporting Standards (IFRSs) to account for the obligations they undertake and rights they receive in service concession arrangements. This interpretation had no impact on the Group's financial statements.

• **IFRIC 15**, 'Agreements for construction of real estates'. IFRIC 15 clarifies whether IAS 18, 'Revenue', or IAS 11, 'Construction contracts', should be applied to particular transactions, resulting that a wider range of transactions will qualify for the application of IAS 18, 'Revenue'. IFRIC 15 had no impact on the Group's financial statements.

• **IFRIC 16**, 'Hedges on a net investment in a foreign operation'. IFRIC 16 is applied to group's that hedges the currency risks resulted from investments in foreign operations and clarifies the conditions that should be satisfied in order to classify it as an accounting hedge. This interpretation also clarifies the amounts that should be reclassified from foreign currency reserve in equity to profit or loss, when the investment in a foreign operation is disposed. IFRIC 16 had no impact on the Group's financial statements.

• **IFRIC 17**, 'Distributions of non-cash assets to owners'. This interpretation clarifies that: (a) a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity; (b) an entity should measure the dividend payable at the fair value of the net assets to be distributed; (c) an entity should recognise the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss. This interpretation had no impact on the Group's financial statements.

• **IFRIC 18**, 'Transfers of assets from customers'. This interpretation clarifies the accounting for arrangements where an item of property, plant and equipment, which is provided by the customer, is used to provide an ongoing service. This is particularly relevant to the utility sector by involving services such as gas or electricity. IFRIC 18 had no impact on the Group's financial statements.

b) There are new standards, amendments and interpretations to existing standards, that although have been published, are only mandatory for annual periods beginning on or after 1 February 2010 or later, and have not been early adopted by the Group:

Standards

• **IAS 32 (amendment)**, 'Financial instruments: presentation - classification of rights issues' (effective for annual periods beginning on or after 1 February 2010). The amendment to IAS 32 addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. If the rights are issued pro rata to all existing shareholders for a fixed amount in any currency, then these rights should be classified as equity instruments. Otherwise, should be accounted for as a derivative liability. This amendment will not have an impact on the Group's financial statements.

• **IFRS 1 (amendment)**, 'First time adoption of International Financial Reporting Standards' (effective for annual periods beginning on or after 1 July 2010, in EU). This amendment provides first-time adopters with the same transition provisions as included in amendment to IFRS 7, 'Financial instruments: Disclosures', regarding comparative information for the three level classification disclosures required by IFRS 7. This amendment do not applies to the Group's financial statements, as Novabase is already reporting under IFRSs.

• **IAS 24 (amendment)**, 'Related party disclosures' (effective for annual periods beginning on or after 1 January 2011). The amended standard eliminates general requirements in respect of certain related party disclosures for public-sector entities, but requires providing information about the relationship of the entity with the Government and significant transactions with the Government or other Government-related entities. Additionally, the definition of a related party has been amended to remove some inconsistencies in the identification and disclosure of related parties. This amendment will not have an impact on the Group's financial statements.

• **IFRS 9 (new)**, 'Financial Instruments: recognition and measurement' (effective for annual periods beginning on or after 1 January 2013). This standard is still subject to the adoption process by EU. IAS 39 establishes two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the objective is to collect contractual cash flows and the cash flows are solely payments of principal and interest on principal. Otherwise, all debt instruments are measured at fair value through profit or loss. Novabase will apply IFRS 9 in the annual period in which becomes effective.

• **Annual improvements to IFRSs – 2010**, generally applicable for annual periods beginning on or after 1 January 2011. These improvements to several standards have not been yet adopted by EU. The annual improvements process provides a vehicle for making non-urgent but necessary amendments to IFRSs and affect six standards and one IFRIC: IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34 and IFRIC 13. Novabase will apply these improvements in the annual periods in which they become effective.

• **IFRS 7 (amendment)**, 'Financial instruments: disclosures - transfers of financial assets' (effective for annual periods beginning on or after 1 July 2011). This amended standard has not been yet adopted by EU. This amendment to IFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets where a financial asset is transferred but the transferor retains some level of continuing exposure (referred to as 'continuing involvement') in the asset. This amendment will not have an impact on the Group's financial statements.

• **IFRS 1 (amendment)**, 'First-time adoption of International Financial Reporting Standards' (effective for annual periods beginning on or after 1 July 2011). This amendment introduces a new deemed cost exemption for entities that have been subject to severe hyperinflation. Therefore, when an entity's date of transition to IFRS is on, or after, the functional currency normalisation date, the entity may elect to measure all assets and liabilities, held before the functional currency normalisation date, at fair value on the date of the transition to IFRS. It also remove the legacy fixed dates in IFRS 1 to provide first-time adopters with relief from retrospective restatement of derecognition and day one gain or loss transactions. This amendment will not have an impact on the Group's financial statements.

• **IAS 12 (amendment)**, 'Deferred tax: recovery of underlying assets' (effective for annual periods beginning on or after 1 January 2012). This amended standard has not been yet adopted by EU. The amendment incorporate SIC 21 - 'Income taxes: recovery of revalued non-depreciable assets', and resulted in the exception to the measuring principle in respect of investment property measured using the fair value model included in SIC 21. Deferred tax on investment property measured at fair value is required to be determined using the rebuttable presumption that the carrying amount of the underlying asset will be recovered through sale. This amendment will not have an impact on the Group's financial statements.

Interpretations

• **IFRIC 14 (amendment)**, 'The limit on a defined benefit asset, minimum funding requirements and their interaction' (effective for annual periods beginning on or after 1 January 2011). IFRIC 14 clarifies that when an asset is consequence of pre-payment of minimum funding contributions in respect of future service, the surplus can be recognised as an asset. This interpretation will not have an impact on the Group's financial statements.

• **IFRIC 19**, 'Extinguishing financial liabilities with equity' (effective for annual periods beginning on or after 1 July 2010). IFRIC 19 clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished by the debtor issuing its own equity instruments to the creditor. A gain or loss is recognised in profit or loss, based on the fair value of the equity instruments issued and comparing to the carrying amount of the financial liability. The simple reclassification of the financial liability to equity is not allowed. Novabase will apply IFRIC 19 in the annual period in which becomes effective.

The Group's consolidated financial statements have been prepared in the assumption of the continuity of operations, based on the historical cost convention except for derivative financial instruments, which are measured by its fair value (note 16).

The preparation of financial statements in conformity with the accounting policies referred above requires the use of certain critical estimates and assumptions which impact on the reported values for assets and liabilities, and for income and expenses presented for the year. Nevertheless the Management usage of its best judgement at the time of the decision, the final results can differ from the estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

The Board of Directors believes that the estimates and assumptions adopted do not bear significant risks from which can result material adjustments to assets and liabilities value.

2.2. Consolidation

The consolidated financial statements, as of 31 December 2010, include assets, liabilities and results of the Group companies, understood as Novabase and its subsidiaries and associates, which are presented in note 6.

(1) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(2) Transactions and non-controlling interests

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

(3) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted by the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed when necessary to ensure consistency with the policies adopted by the Group.

2.3. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is the responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee, delegated by the Board of Directors.

An operating segment is a component or set of components of the Group that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the Executive Committee and for which discrete financial information is available.

The Group's activity is monitored in four distinct segments, Consulting, IMS, Digital TV and Novabase Capital. For the purpose of preparing this information, Novabase S.G.P.S. (company that includes the top management of the Group) and Novabase Serviços (company that includes the Group's shared services) are considered as part of the Consulting operating segment.

2.4. Foreign currency translation**(1) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in thousands of euros (EUR thousand). Euro is the Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Translation differences on non-monetary items are recognised in the consolidated statement of comprehensive income as part of the fair value gain or loss. Translation differences on monetary items, such as equities classified as available-for-sale financial assets, are included in reserves in equity.

The main exchange rates applied on the reporting date are those listed below:

	Rate on 31.12.10	Average rate for the year
• Polish Zloty (PLN)	€ 0.2518	€ 0.2497
• Romanian Novo Lei (RON)	-	€ 0.2386
• Kwana from Angola (AOA)	€ 123.9682	€ 119.3673
• United States of America US Dollar (USD)	€ 1.3362	€ 1.3305
• United Arab Emirates Dirham (AED)	€ 4.8687	€ 4.8857

(3) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities at the reporting date are translated at the closing exchange rate in force at the reporting date;
- (ii) income and expenses in results are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the statement of comprehensive income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5. Property, plant and equipment

Property, plant and equipment comprise mainly buildings and other constructions (construction works done in 'Edificio Caribe', the Company's new headquarter and in the new facilities of the logistics unit), basic and transport equipment. Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items (purchase price and all the expenses supported direct or indirectly to bring the asset to its current condition).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method, over their estimated useful lives, as follows:

	<u>N.º of years</u>
• Buildings and other constructions	3 to 50
• Basic equipment	3 to 4
• Transport equipment	4
• Tools and utensils	4
• Furniture, fittings and equipment	3 to 10

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, and are included in profit or loss.

2.6. Intangible assets

(1) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'Intangible assets'. Goodwill on acquisitions of associates is included in 'Investments in associates'.

Goodwill (that has an indetermined useful life), is carried at cost less accumulated impairment losses, being tested annually for impairment, in the second half of the year. Impairment losses on goodwill are recognised whenever its carrying amount exceeds its recoverable amount, and are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the Group's investment in each operating segment in which Novabase operates: Consulting, IMS, Digital TV and Novabase Capital. Additionally, for the purpose of impairment tests of goodwill not allocated to those cash-generating units, the Group identified cash generating units at the level of each subsidiary/associate acquired.

(2) Internally generated intangible assets

Investigation expenses in the search of new technical and scientific knowledge are recorded in the statement of comprehensive income as and when incurred. Development expenses are accounted as intangible fixed assets when: i) it is technically feasible to complete the asset or process; ii) Group is able to complete its development and intends to do so; iii) market viability is assured and iv) its cost can be reliably measured.

These assets are recorded at its production or acquisition cost, which include the acquisition cost of the assets plus employee costs directly involved in the production or outsourcing costs incurred for the same purpose, as well as an appropriate portion of relevant overheads.

Amortisation is calculated using the straight-line method, for periods between 3 to 10 years. Impairment of internally generated assets is tested at the reporting date.

(3) Industrial property and other rights

Industrial property and other rights are shown at historical cost. These assets have a finite useful life and are recognised at cost less accumulated amortisation for a period of 10 years. Amortisation is calculated using the straight-line method to allocate the cost of the industrial property and other rights over their estimated useful lives.

(4) Work in progress

Intangible assets in progress refer to, mainly, the ongoing internal development of software products.

2.7. Financial assets and liabilities

The financial assets and liabilities are recognised in the date of the negotiation or contract, except if there is a contractual or legal stipulation in contrary, saying that the rights and obligations related with the amounts transacted are transferred to a different date. In this case, the relevant date is the last.

In the initial moment, the financial assets and liabilities are recognised by their fair value. The fair value is the amount that a determined asset or liability can be transferred or paid between entities both knowing and interested in doing the transaction. In the contracted date, the fair value is usually the amount of the transaction.

These assets are derecognised when i) contractual rights to receive cash flows have expired, ii) the Group has transferred substantially all risks and rewards of ownership or iii) nevertheless, maintains a part but not substantially all the risks and rewards of ownership, the Group has transferred the control of the assets.

The fair value is based in current bid prices, or in valuation methods and techniques (if the market for the financial asset is not active). A market is considered active if regular transactions occur.

The Group classifies its financial assets in the following categories: (i) financial assets held for trading, (ii) loans and receivables and (iii) available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and reassesses that classification at each reporting date.

(1) Financial assets held for trading

A financial asset is classified in this category if acquired principally for the purpose of selling in short term. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and subsequently remeasured at their fair value. Gains and losses arising from a change in the fair value are included in profit or loss in the period in which they are incurred.

(2) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans and receivables are subsequently measured at amortised cost accordingly to the effective interest method. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables are included in the current assets in 'Trade and other receivables' and 'Accrued income' headings and in non-current assets in 'Other non-current assets' heading.

(3) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that: (i) the Group intends to maintain for indetermined period of time, (ii) are designated in this category in the moment of initial recognition or (iii) are not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of it within 12 months of the end of the reporting period.

Investments are initially recognised at fair value. When the medium term expectations point to a significant decline in the fair value of the security below its cost in the reporting date, an impairment loss is recognised in the statement of comprehensive income, in the 'Share of loss of associates' heading.

Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in profit or loss as gains and losses from investment securities. Dividends on available-for-sale equity instruments are recognised in the statement of comprehensive income under 'Finance income' heading, when the Group's right to receive payments is established.

The fair values of listed investments are based on current market prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes the fair value by using valuation techniques. These techniques include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models refined to reflect the issuer's specific circumstances.

2.8. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and depreciation and are tested annually for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment on an annual basis or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are allocated by segment, given that it is at this level that management monitors its return on investment.

2.9. Impairment of financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial or a group of financial assets is impaired.

(1) Available-for-sale financial assets

In the case of equity instruments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the instruments are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the statement of comprehensive income. Impairment losses on equity instruments recognised in profit or loss are not reversed through profit or loss, unless if, in a subsequent period, the amount of the impairment loss decreases by any event occurred after the date in which it was recognised.

(2) Trade receivables, other debtors and other financial assets

In the case of other financial assets that show objective impairment evidence, their present value is determined, and an impairment loss (which is considered the difference between the asset's present value of estimated future cash flows and the carrying amount) is recognised in the statement of comprehensive income. Several indicators are used to identify if there is objective evidence of impairment, such as:

- (i) the Group is not able to collect amounts according to the original terms of the receivables;
- (ii) the Group is not able to collect amounts due over 6 months;
- (iii) significant financial difficulties of the debtor;
- (iv) it becomes probable that the debtor will enter bankruptcy or other financial reorganisation.

The amount of the impairment allowance is measured as the difference between the asset's present value of estimated future cash flows and its carrying amount and is recognised in the statement of comprehensive income within 'Other gains/(losses) - net'. The carrying amount of the asset is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the same allowance account. Subsequent recoveries of amounts previously written off are credited against 'Other gains/(losses) - net' in the statement of comprehensive income.

2.10. *Inventories*

Inventories include merchandise, raw materials and subsidiary goods and are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method.

The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.11. *Trade and other receivables*

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less impairment losses.

2.12. *Cash and cash equivalents*

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

2.13. *Share capital*

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or stock options of the company and its subsidiaries are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or stock options, or for the acquisition of a business, are included in the cost of acquisition as part of the purchase consideration.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid is deducted from the equity attributable to owners of the parent until the shares are cancelled, reissued or sold. When such shares are subsequently sold or reissued, any consideration received is included in equity attributable to owners of the parent.

2.14. *Borrowings*

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Interest costs on borrowings are included in the statement of comprehensive income under 'Finance costs' heading.

2.15. *Current and deferred income tax*

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity. The current income tax charge is calculated on the basis of profit before income tax, adjusted according to the tax laws enacted at the reporting date.

Deferred income tax is recognised, using the liability method at the reporting date, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.16. Employee benefits

Bonus

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Company's employees after certain adjustments.

Obligations for vacation, vacation subsidy and Christmas subsidy

In accordance with Portuguese legislation, employees have, annually, the right to receive two months of salary, for a vacation period and a vacation subsidy, right earned in the previous year to its settlement. The employees also have, annually, the right to a Christmas subsidy, which is earned over the year and paid each December. These obligations are recorded in the respective period in which the right is earned, regardless its payment date.

Stock options

The Group rewards the services rendered by some employees through an equity-settled stock option plan. The fair value of the services received is recognised as cost in the statement of comprehensive income against an increase in equity, over the vesting period. The amount registered as cost represents the fair value of the stock option attributed, estimated based only on market conditions. Acquisition conditions, different from market conditions, were used to estimate the number of options vested at the end of acquisition period. At each reporting date, the entity revises its estimates of the number of options expected to become exercisable, and recognises the impact of the revision to original estimates in profit or loss, with a corresponding adjustment to equity.

2.17. Provisions

Provisions are recognised at the reporting date when: i) the Group has a present legal or constructive obligation as a result of past events; ii) it is probable that an outflow of resources will be required to settle the obligation and; iii) the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.18. Trade and other payables

Trade and other payables' balances are obligations to pay goods or services that have been acquired in the ordinary course of the business. They are initially recognised at fair value and subsequently at amortised cost accordingly with the effective interest rate method.

2.19. Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value added tax (V.A.T.), rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of goods

Sales of goods are recognised when a Group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

Software products are usually sold without a right of return. However, if there is any chance of return, accumulated experience is used to estimate and provide for such returns at the time of sale.

(b) Sales of services

Revenue from consulting projects, classified as "time and materials" is recognised in the accounting period in which the services are rendered.

Revenue from consulting projects, classified as "fixed contract" ("turn key") is recognised under the percentage-of-completion method based on total costs already incurred as a percentage of total estimated costs to be incurred until the end of the project, prepared by each project manager. According to this method, 'Accrued income' and 'Deferred income and other current liabilities' headings are adjusted in order to reflect the accurate result of each project at the end of each reporting period.

Revenue from outsourcing and maintenance projects is recognised using a straight-line basis over the period of the contract.

(c) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.20. Subsidies

Government subsidies are recognised at fair value, when there is high likelihood that the subsidy will be received and the Group fulfils all the requirements to receive it.

Non-refundable subsidies to finance development projects are recorded as a liability at the reporting date, in 'Deferred income and other current liabilities' heading and are recognised in profit or loss of each period by the useful life of the financed assets.

Operational subsidies are aimed to recovering the costs, incurred and recorded, with training initiatives and projects of research of new technological and scientific knowledge, and are recognised in the statement of comprehensive income as the related expenses are incurred, regardless of when the subsidy is received.

2.21. Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed on a straight-line basis over the period of the lease.

Lease contracts for tangible assets where the Group has substantially all the risks and benefits of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are recorded under liabilities (current and non-current). The interest element of the finance cost is expensed over the lease period so as to produce a constant periodic rate of interest on the remaining balance of liability for each period. Tangible assets acquired under finance leases are depreciated over the shorter of the useful life and the lease term.

2.22. Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the company's shareholders.

2.23. Comparatives

The consolidated financial statements for the year ended 31 December 2010 are comparable in all material aspects with the year 2009, and no changes in accounting policies have occurred when compared to those used for preparation of the financial statements of the previous year, presented for comparative effects.

3. Financial risk management policy

The Group's activities expose it to a variety of financial risks, including the effects of variations in market prices of debt and equity, exchange rates and interest rates.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk, mainly arising from U.S. Dollar exposure, since some subsidiaries perform transactions in this currency.

The finance department is responsible for the tracking of the exchange rate of the currency mentioned above, in order to reduce the impact of the fluctuation in consolidated results.

The table below summarises the Group's exposure to foreign currency exchange rate risk at 31 December based on Group's financial assets and liabilities at carrying amounts, categorised by currency:

At 31 December 2009	Euro	Dollar	Other	Total
Assets				
Other non-current assets	134	-	-	134
Trade and other receivables	78,281	12,203	247	90,731
Accrued income	11,055	-	-	11,055
Derivative financial instruments	58	-	-	58
Cash and cash equivalents	24,687	96	189	24,972
	<u>114,215</u>	<u>12,299</u>	<u>436</u>	<u>126,950</u>
Liabilities				
Other non-current liabilities	1,123	-	-	1,123
Borrowings	8,470	-	-	8,470
Trade and other payables	57,874	4,827	73	62,774
Derivative financial instruments	139	-	-	139
Deferred income and other current liabilities	19,662	-	-	19,662
	<u>87,268</u>	<u>4,827</u>	<u>73</u>	<u>92,168</u>

At 31 December 2010	Euro	Dollar	Other	Total
Assets				
Other non-current assets	69	-	-	69
Trade and other receivables	69,461	11,410	1,111	81,982
Accrued income	14,034	-	1	14,035
Derivative financial instruments	197	-	-	197
Cash and cash equivalents	23,771	189	4,128	28,088
	<u>107,532</u>	<u>11,599</u>	<u>5,240</u>	<u>124,371</u>
Liabilities				
Other non-current liabilities	927	-	-	927
Borrowings	11,432	1,780	-	13,212
Trade and other payables	50,171	6,594	336	57,101
Derivative financial instruments	353	-	-	353
Deferred income and other current liabilities	22,101	-	706	22,807
	<u>84,984</u>	<u>8,374</u>	<u>1,042</u>	<u>94,400</u>

The Group uses a sensitivity analysis technique that measures the estimated changes in profit or loss and shareholders equity of either an instantaneous 10% strengthening or weakening in Euro against all other currencies, from the rates applicable at 31 December 2010, for each class of financial instrument with all other variables held constant. This analysis has illustrative purposes only, as in practice market rates rarely change alone.

Under this assumption, with a 10% strengthening or weakening of Euro against all exchange rates, profit before income tax would have increased or decreased, respectively, by EUR 742 thousand in 2010 (2009: EUR 784 thousand).

b) Cash flow and fair value interest rate risk

The Group's interest-rate risk arises from short term finance investments in banks and borrowings. Short term finance investments in banks expose the Group to cash flow interest-rate risk dependent of changes in market interest rates. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2010 and 2009, most of the Group's borrowings were issued at variable rates and were mainly denominated in Euros.

The Group uses a sensitivity analysis technique that measures the estimated changes in profit or loss and shareholders equity of either an instantaneous increase or decrease of 0.5% (50 basis points) in market interest rates, from the rates applicable at 31 December 2010, for each class of financial instrument with all other variables held constant. This analysis has illustrative purposes only, as in practice market rates rarely change alone. The sensitivity analysis is based on the following assumptions:

- (i) Changes in market interest rates affect the interest income or expense of variable interest financial instruments;
- (ii) Changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interest rates if these are recognised at their fair value;
- (iii) Changes in market interest rates affect the fair value of derivative financial instruments and other financial assets and liabilities;
- (iv) Changes in the fair values of derivative financial instruments and other financial assets and liabilities are estimated by discounting the future cash flows of net present values using appropriate market rates prevailing at the year end.

Under these assumptions, an increase or decrease of 0.5% in market interest rates, would impact respectively in an increase or decrease of profit before income tax of approximately EUR 74 thousand, in 2010 and in an increase or decrease, respectively, of approximately EUR 82 thousand, in 2009.

c) Credit Risk

Credit risk is managed, simultaneously, on business units level, for the amounts of outstanding trade and other receivables, and on Group basis, for financial instruments. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently well rated parties are accepted. Credit risk management of trade and other receivables is based in credit limits, taking into account the financial position of the customer and past experience.

At 31 December 2010, the 60 customers with greater balances of the Group represented approximately 82% of the total balance (2009: 90%).

The distribution by geographical market of those customers is shown in the table below:

	31.12.10	31.12.09
Portugal	82%	87%
Germany	1%	1%
Spain	1%	2%
Rest of Europe	1%	-
Asia	2%	4%
Middle East	3%	3%
Africa	10%	3%
	<u>100%</u>	<u>100%</u>

The distribution by business sector of those customers is shown in the table below:

	31.12.10	31.12.09
Telecommunications	50%	62%
Consumer electronics	5%	7%
Financial Services	18%	13%
Transport	6%	3%
Public Administration	5%	3%
Information Technology	9%	7%
Energy	5%	3%
Other	2%	2%
	100%	100%

The 20 customers with greater balance at 31 December 2010 (which represent almost 2/3 of the total balance), although might have some punctual delay in the invoices payment in the past, never represented losses for the Group. The remaining balance includes half thousand customers with an average balance of EUR 60 thousand.

The table below shows the ratings attributed by Moody's Investors Services to the financial institutions with whom the Group has higher balances at 31 December 2010 (excluding financial institutions where net balance is negative):

	31.12.10	31.12.09
A1	-	23,532
A2	11,351	-
A3	15,035	-
	26,386	23,532

d) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Management monitors rolling forecasts of the Group's liquidity reserve (which comprises undrawn committed borrowing facilities and cash and cash equivalents) on the basis of expected cash flows, taking into account the analysis of the remaining contractual maturity of the financial liabilities and the expected date of financial assets inflows. Additionally, a regular monitoring is made to the maturity concentration of borrowings and liabilities of the Group.

The plafonds of borrowings contracted by the Group are shown in the table below:

	Euro	Dollar
Banco Espírito Santo (BES)	7,000	2,500
Banco BPI (BPI)	6,000	-
Banco Comercial Português (BCP)	7,500	-
Banco Santander Totta (Santander)	5,000	-
Barclays Bank (Barclays)	8,000	3,000
Banco Espírito Santo Espanha (BESSA)	1,000	-
Banco de Fomento de Angola (BFA)	-	2,000
	34,500	7,500

e) *Capital risk management*

The Group's objectives when managing capital, which is a broader concept than 'equity' in the statement of financial position, are:

- (i) To safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders;
- (ii) To maintain a solid capital structure to support the development of its business;
- (iii) To maintain an optimal capital structure to reduce the cost of capital.

Management monitors the Return on Capital (ROC) ratio, that the Group defines as the 'Operating profit' divided by 'Total equity', to measure the Group ability to generate cash flows related to the capital invested in its business.

	31.12.10	31.12.09
Operating Profit	16,690	16,622
Total Equity	98,498	99,142
Return on Capital	17 %	17 %

The Group has the objective to maintain ROC above the cost of capital (measured by WACC - weighted average cost of capital), which allows the Group to add value. The Group's WACC in 2010 is around 9% (2009: 9%). In 2010, the strategy of Novabase focused on the rentability and sustainability of its business, based on the value-oriented management to Novabase core business.

4. Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates by the Management, that affect assets, liabilities, and the disclosure of assets and contingent liabilities at the reporting date in the financial statements, as well as income and expenses during the reporting period, consequently future results can differ from the estimated ones. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and judgments considered more relevant in the preparation of these financial statements are presented below.

a) *Analysis of impairment of goodwill*

The Group tests annually, on the second half of the year, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates, to forecast the cash flows of each cash-generating units, and the choice of a discount rate and a perpetual grow rate (see note 8).

b) *Income taxes and deferred taxes*

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes and the use of deferred tax assets and liabilities. Deferred tax assets and liabilities were determined based on tax legislation currently in effect for the Group's companies, or on legislation already published for future application. Changes in the tax legislation may influence the value of deferred taxes.

The Group recognises deferred tax assets related to tax incentives obtained under SIFIDE based on estimates. The final amount of these tax incentives is only known in future years based on the approval by the competent body of the Group's applications to these incentives. The amount of tax credits not yet approved reach EUR 3,238 thousand (2009: EUR 2,657 thousand).

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

c) *Revenue recognition*

Revenue recognition in respect of "turn key" projects, is made by Management recurring to analysis and estimates of the current and future developments of consulting projects in place. These projections could have a different development in the future, from the present estimates performed by Management. Eventual changes in the estimates would be reflected under 'Accrued income' and 'Deferred income and other current liabilities' headings in the statement of financial position and under 'Services rendered' in the statement of comprehensive income.

d) *Warranties risk*

The Group recognises a provision for warranties when the underlying products or services are sold. These provisions are established using historical information of nature, frequency and average costs of warranty claims. Any changes to estimates will impact the financial statements of the following year, under 'Provisions' in liabilities and 'Other gains/(losses) - net' in profit or loss.

e) *Valuation allowance for impairment of trade and other receivables*

Management maintains a valuation allowance for impairment of trade and other receivables, in order to reflect the estimated losses that result from clients' inability to make the required payments. When assuming the adequacy of an allowance for doubtful accounts, Management bases its estimates on the ageing of accounts receivable balances and historical write off experience, customer credit worthiness and changes in customer payment terms. If the customer's financial conditions deteriorate, actual write off's might be higher than expected.

f) *Inventory impairment*

The Group is exposed to inventory impairment as the result of changes in economical environment, due to operating in a very dynamic market. To manage this risk, the Group monitors market developments, as a way to identify the possible impact of those changes in its business.

g) *Bonus*

The Group recognises on a monthly basis an estimate for bonus and other variable remunerations, which considers the theoretical amounts agreed with employees, the monitoring of the expected objective's achievement rates and the general situation of the Company's business. The variable remuneration of the elements of the Board of Directors is set by the Remuneration Committee based on the evaluation of the previous year performance. Therefore, the cost estimate for the current exercise booked under 'Trade and other payables' heading, is prepared based on the Management's best estimate to the performance of the current year, where the actual final outcome is only known in the following exercise, after the Remuneration Committee's deliberation. More information about the Shareholders' remuneration can be found in the point regarding Remuneration, included in the Corporate Governance Report, which is an integral part of the Consolidated Annual Report.

5. Segment information

The companies considered in each operating segment are presented in note 6. For the purpose of preparing this information, Novabase S.G.P.S. and Novabase Serviços are considered as part of the Consulting operating segment.

	Consulting	IMS	Digital TV	Novabase Capital	Novabase
At 31 December 2009					
Sales and services rendered	82,536	84,788	71,559	2,531	241,414
Operating profit/(loss)	9,123	5,462	2,410	(373)	16,622
Finance costs – net	774	(493)	(100)	(8)	173
Share of loss of associates (note 33)	(29)	-	(757)	(327)	(1,113)
Income tax expense	(2,084)	(446)	(357)	253	(2,634)
Profit/(Loss) from operations	7,784	4,523	1,196	(455)	13,048
At 31 December 2010					
Sales and services rendered	80,659	103,108	49,278	3,286	236,331
Operating profit/(loss)	7,725	7,171	1,451	343	16,690
Finance costs – net	(211)	(131)	241	(14)	(115)
Share of loss of associates (note 33)	(6)	-	-	(249)	(255)
Income tax expense	(1,348)	(1,640)	454	(94)	(2,628)
Profit/(Loss) from operations	6,160	5,400	2,146	(14)	13,692

The assets and liabilities by operating segment, as well as capital expenditure, are analysed as follows:

	Consulting	IMS	Digital TV	Novabase Capital	Continuing operations	Discontinued oper. (Mobile)
At 31 December 2009						
Assets	89,087	68,280	29,007	5,650	192,024	826
Associates	215	-	-	1,699	1,914	-
Total assets	89,302	68,280	29,007	7,349	193,938	826
Total liabilities	32,430	39,276	20,737	2,360	94,803	819
Capital expenditure (12 months)	3,003	1,283	1,109	82	5,477	-
At 31 December 2010						
Assets	96,191	65,156	28,097	5,327	194,771	49
Associates	226	-	-	1,450	1,676	-
Total assets	96,417	65,156	28,097	6,777	196,447	49
Total liabilities	37,139	47,385	10,157	2,572	97,253	745
Capital expenditure (12 months)	5,154	3,121	763	434	9,472	-

Operating segment' assets consist primarily in property, plant and equipment, intangible assets, inventories, receivables and operating cash.

Capital expenditure comprises acquisitions to property, plant and equipment (note 7) and intangible assets (note 8).

6. Companies included in consolidation

The companies consolidated by full method, as at 31 December 2010, were the following:

Holding company and Subsidiaries	Head Office	Share capital 31.12.10	Shareholding %	
			31.12.10	31.12.09
Parent company:				
Novabase S.G.P.S., S.A.	Lisbon - Portugal	€ 15,700,697	-	-
Consulting:				
Novabase Consulting, S.A.	Lisbon - Portugal	€ 3,466,000	100.0%	100.0%
NBO Recursos em TI, S.A.	Lisbon - Portugal	€ 50,000	100.0%	100.0%
Novabase Consulting SGPS, S.A.	Lisbon - Portugal	€ 11,629,475	100.0%	100.0%
a) Novabase E. A., S.A.	Lisbon - Portugal	€ 150,000	100.0%	90.0%
a) Celfocus, S.A.	Lisbon - Portugal	€ 100,000	55.0%	49.5%
a) Novabase International Solutions B.V.	Amsterd. - Netherl.	€ 18,000	100.0%	90.0%
Nbase International Investments B.V.	Amsterd. - Netherl.	€ 1,220,800	100.0%	100.0%
a) Novabase Solutions Middle East FZ-LLC	Dubai - UAE	2,700,000 AED	100.0%	90.5%
IMS:				
Novabase Infraestruturas, SGPS, S.A.	Lisbon - Portugal	€ 50,000	100.0%	100.0%
Novabase IMS Infr. & Manag. Services, S.A.	Lisbon - Portugal	€ 70,500	100.0%	100.0%
Novabase Consulting Espanha, S.A.	Madrid - Spain	€ 1,000,000	100.0%	100.0%
Octal - Engenharia de Sistemas, S.A.	Lisbon - Portugal	€ 3,000,000	100.0%	100.0%
Gedotecom Informática, Lda	Lisbon - Portugal	€ 25,000	100.0%	100.0%
(b5) Novabase Infr. Integracion S. Inf., S.A.	Madrid - Spain	€ 120,202	100.0%	100.0%
(b3) S.C. Novabase S.R.L.	Bucharest - Romania	35,920 RON	-	100.0%
Novabase Polska Sp. z o.o.	Warsaw - Poland	50,000 PLN	100.0%	100.0%
(b1) NBASIT-Sist. de Inf. e Telecomunic., S.A.	Luanda - Angola	47,500,000 AOA	49.4%	-
Mobile (discontinued operations):				
Octal 2 Mobile,S.A.	Lisbon - Portugal	€ 2,050,000	99.5%	99.5%
Digital TV:				
Novabase Interactive TV SGPS, S.A.	Lisbon - Portugal	€ 278,125	100.0%	100.0%
Novabase Digital TV E.S. Tel. Inter., S.A.	Lisbon - Portugal	€ 250,000	100.0%	100.0%
(b4) OnTV, S.A.	Lisbon - Portugal	-	-	100.0%
TVLab, S.A.	Lisbon - Portugal	€ 525,000	100.0%	100.0%
Novabase Digital TV Technologies GmbH	Munich - Germany	€ 25,000	100.0%	100.0%
(b2) Novabase Digital TV, EURL	Caen - France	€ 10,000	100.0%	100.0%
Novabase Capital:				
Novabase Capital SGCR, S.A.	Lisbon - Portugal	€ 2,500,000	100.0%	100.0%
COLLAB – Sol. I. Com. e Colab., S.A.	Lisbon - Portugal	€ 61,333	76.9%	76.9%
Novabase Shared Services:				
Novabase Serviços, S.A.	Lisbon - Portugal	€ 250,000	100.0%	100.0%

The following changes occurred in the consolidation universe, in 2010:

a) Acquisitions of financial holdings to non-controlling interests (see notes 20 and 21):

In the first half of 2010, it was acquired the remaining financial holding of 10% in Novabase International Solutions B.V. and, consequently, of the remaining financial holding in Novabase Solutions Middle East FZ-LLC and in Novabase E.A., S.A., and of 5.5% in Celfocus, S.A..

b) Entries and exits of the consolidation universe:

- (b1) In the first half of 2010, NBASIT - Sistema de Informação e Telecomunicações, S.A., in Angola, was incorporated, to strengthen the international presence of the Group.
- (b2) In the first half of 2010, it was also incorporated Novabase Digital TV EURL, in France, in the Caen region, a company dedicated to the Research and Development (R&D) of technologies for Digital TV area.
- (b3) In the last quarter of 2010, S.C. Novabase S.R.L. was dissolved.
- (b4) In the last quarter of 2010, OnTV, S.A. was dissolved.
- (b5) In 2010, Novabase Infr. Integracion S. Inf., S.A. stop being considered in discontinued operations, and start being considered in IMS, since the current operations relate to IMS business, and no longer is expected any impact from Mobile closure.

The companies consolidated using the equity method, as at 31 December 2010, were the following:

Associates (see note 9)	Head Office	Share capital		Shareholding %		Equity	Results
		31.12.10		31.12.10	31.12.09	31.12.10	31.12.10
Fundo Capital Risco para Invest. Qualif.	Lisbon - Portugal	€ 7,142,857	30.0%	30.0%		4,872	(620)
(*) Novabase Atlântico - Sist. Informação, S.A.	P. Delg. - Portugal	€ 216,875	60.0%	60.0%		260	(10)
TechnoTrend Holding N.V.	Amsterd. - Netherl.	€ 97,295	49.5%	49.5%		Unavailable info.	Unavailable info.

(*) Novabase considers that does not have the power to control the financial and operating policies of the company (see note 9).

7. Property, plant and equipment

	31.12.10			31.12.09		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Buildings and other constructions	4,079	986	3,093	3,520	472	3,048
Basic equipment	6,692	2,942	3,750	5,379	2,492	2,887
Transport equipment	4,647	2,547	2,100	4,929	3,106	1,823
Tools and utensils	49	7	42	-	-	-
Furniture, fittings and equipment	1,432	585	847	1,628	670	958
Other tangible assets	8	4	4	8	3	5
	16,907	7,071	9,836	15,464	6,743	8,721

During 2009, movements in property, plant and equipment were as follows:

	Balance at 01.01.09	Acquisitions / increases	Write off's	Transfers	Balance at 31.12.09
<i>Cost:</i>					
Buildings and other constructions	3,114	702	(306)	10	3,520
Basic equipment	4,196	1,635	(606)	154	5,379
Transport equipment	4,773	1,311	(1,155)	-	4,929
Tools and utensils	5	-	(5)	-	-
Furniture, fittings and equipment	1,946	130	(441)	(7)	1,628
Other tangible assets	12	-	(4)	-	8
	14,046	3,778	(2,517)	157	15,464
<i>Accumulated depreciation:</i>					
Buildings and other constructions	498	205	(231)	-	472
Basic equipment	1,626	1,259	(393)	-	2,492
Transport equipment	3,005	1,256	(1,155)	-	3,106
Tools and utensils	3	-	(3)	-	-
Furniture, fittings and equipment	787	240	(357)	-	670
Other tangible assets	6	1	(4)	-	3
	5,925	2,961	(2,143)	-	6,743

During 2010, movements in property, plant and equipment were as follows:

	Balance at 01.01.10	Acquisitions / increases	Write off's	Transfers	Balance at 31.12.10
<i>Cost:</i>					
Buildings and other constructions	3,520	599	-	(40)	4,079
Basic equipment	5,379	2,645	(894)	(438)	6,692
Transport equipment	4,929	1,611	(1,893)	-	4,647
Tools and utensils	-	49	-	-	49
Furniture, fittings and equipment	1,628	124	(165)	(155)	1,432
Other tangible assets	8	-	-	-	8
	15,464	5,028	(2,952)	(633)	16,907
<i>Accumulated depreciation:</i>					
Buildings and other constructions	472	523	-	(9)	986
Basic equipment	2,492	1,475	(882)	(143)	2,942
Transport equipment	3,106	1,097	(1,656)	-	2,547
Tools and utensils	-	7	-	-	7
Furniture, fittings and equipment	670	188	(158)	(115)	585
Other tangible assets	3	1	-	-	4
	6,743	3,291	(2,696)	(267)	7,071

Buildings and other constructions includes construction works in the amount of EUR 2,919 thousand made in the headquarter of the Group and in the new facilities of the logistics unit. These construction works are being depreciated over the estimated period of lease of such facilities.

Depreciation is included in 'Depreciation and amortisation' heading in the statement of comprehensive income (note 30).

'Transport equipment' heading includes the following finance lease contracts:

	31.12.10	31.12.09
Acquisition cost	4,610	4,929
Accumulated depreciation	(2,545)	(3,106)
Net book value	2,065	1,823
	31.12.10	31.12.09
Depreciation charge	1,096	1,256

8. Intangible assets

	31.12.10			31.12.09		
	Cost	Accumulated amortisation	Net book value	Cost	Accumulated amortisation	Net book value
Internally generated intangible assets	1,088	20	1,068	2,165	1,919	246
Industrial property and other rights	13,334	8,171	5,163	10,605	6,063	4,542
Work in progress	1,623	-	1,623	615	-	615
Goodwill	23,375	-	23,375	23,375	-	23,375
	39,420	8,191	31,229	36,760	7,982	28,778

During 2009, movements in intangible assets were as follows:

	Balance at 01.01.09	Acquisitions / increases	Impairment ch. / Write off's	Transfers	Balance at 31.12.09
<i>Cost:</i>					
Internally generated intangible assets	2,748	-	(583)	-	2,165
Industrial property and other rights	11,639	1,258	(2,305)	13	10,605
Work in progress	344	441	-	(170)	615
Goodwill	23,375	-	-	-	23,375
	38,106	1,699	(2,888)	(157)	36,760
<i>Accumulated amortisation:</i>					
Internally generated intangible assets	1,663	744	(488)	-	1,919
Industrial property and other rights	6,962	1,406	(2,305)	-	6,063
	8,625	2,150	(2,793)	-	7,982

During 2010, movements in intangible assets were as follows:

	Balance at 01.01.10	Acquisitions / increases	Impairment ch. / Write off's	Transfers	Balance at 31.12.10
<i>Cost:</i>					
Internally generated intangible assets	2,165	746	(2,165)	342	1,088
Industrial property and other rights	10,605	1,866	(80)	943	13,334
Work in progress	615	1,832	-	(824)	1,623
Goodwill	23,375	-	-	-	23,375
	36,760	4,444	(2,245)	461	39,420
<i>Accumulated amortisation:</i>					
Internally generated intangible assets	1,919	266	(2,165)	-	20
Industrial property and other rights	6,063	1,921	(80)	267	8,171
	7,982	2,187	(2,245)	267	8,191

Amortisation is included in 'Depreciation and amortisation' heading in the statement of comprehensive income (note 30).

The balance of 'Industrial property and other rights' heading is analysed as follows:

Business	Amortisation period	Company	Cost	Accumulated amortisation	Net book value
(i) ATX Projects	10 years	Novabase Consulting	8,295	6,076	2,219
(ii) SAP RH and SAP Logística	6 years	Novabase Serviços	714	399	315
(iii) Commercial patents	3 years	NB Digital TV GmbH	1,000	639	361
(iv) Software SCADA	5 years	Novabase Consulting	750	75	675
(v) SAP HCM	6 years	Novabase Serviços	292	-	292
Other			2,283	982	1,301
			13,334	8,171	5,163

(i) Amount paid to Espírito Santo Group, for the acquisition of a service contract, over a period between 6 to 10 years.

(ii) Management information system (mySAP) for the Group internal use.

(iii) Patents of 'Docking Station' and 'Modular digital TV decoder'.

(iv) Management and control platform for wind power production.

(v) Management information system (mySAP), new HR solution - Human Capital Management, for the Group internal use.

'Internally generated intangible assets' include the cost of projects for software development, as well as the cost of projects for products development in specific areas.

The amount with research and development recognised as a cost, related to the main research projects, reached EUR 10.1 Million (2009: EUR 9.1 Million).

Movements in **goodwill** were as follows:

	31.12.10	31.12.09
Balance at 1 January	24,994	24,994
Balance at 31 December	24,994	24,994

Movements in **goodwill impairment** were as follows:

	31.12.10	31.12.09
Balance at 1 January	(1,619)	(1,619)
Balance at 31 December	(1,619)	(1,619)

Impairment tests for goodwill

Goodwill is allocated to the Group's Cash-Generating Units (CGUs) identified according to operating segments.

	31.12.10	31.12.09
Consulting	14,155	14,155
IMS	685	685
Digital TV	8,535	8,535
	23,375	23,375

The impairment test for goodwill was performed based on the discounted cash flow method, using a 5 year business plan forecasted by Management, with the following key assumptions:

	Consulting	IMS	Digital TV
Discounted rate (pre tax)	12.8%	12.8%	12.8%
Perpetual growth rate	2.0%	2.0%	2.0%
Annual growth rate of turnover	5.0%	2.0%	5.0%

The application of the previously described method generates a recoverable amount of assets that exceeds its carrying amount, concluding therefore that there is no need for an impairment charge to the goodwill allocated to the Cash-Generating Units.

A reasonably possible change in the key assumptions on which Management has based its determination of the recoverable amount wouldn't cause the carrying amount to exceed its recoverable amount.

9. Investments in associates

	Shareholding %		Acquisition cost	
	31.12.10	31.12.09	31.12.10	31.12.09
Fundo Capital Risco (note 6)	30.0%	30.0%	1,450	1,699
(i) Novabase Atlântico, SI, S.A. (note 6)	60.0%	60.0%	209	215
(ii) Ent. Comerc. Prod. Mobilidade Eléctrica	33.3%	-	17	-
TechnoTrend Holding N.V. (note 6)	49.5%	49.0%	-	-
			<u>1,676</u>	<u>1,914</u>

- (i) Due to the sale and purchase promise-agreement concluded with Electricidade dos Açores (EDA), and the conditions in shareholders agreement between EDA and Novabase, this company has an option to buy the shareholding held by Novabase in the end of the period of the outsourcing rendered services contract between Novabase and EDA, by the value of the equity of Novabase Atlântico. Thus, Novabase considers that does not have the power to control the financial and operating policies of this company therefore this financial holding was included in the consolidation by the equity method.
- (ii) The company ECPME has not yet been incorporated, as the future shareholders have not closed the terms associated to the shareholders agreement to be concluded between them.

10. Deferred income tax assets and liabilities

The Group Novabase recognises the tax effects on timing differences that arise between the tax basis of assets and liabilities and their carrying amount in the consolidated financial statements, in accordance with IAS 12 - Income Taxes.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts were determined after its offsetting:

	31.12.10	31.12.09
Deferred tax assets:		
To be recovered within 12 months	2,348	2,637
To be recovered after more than 12 months	8,048	5,704
	<u>10,396</u>	<u>8,341</u>
Deferred tax liabilities:		
To be recovered within 12 months	809	-
To be recovered after more than 12 months	100	100
	<u>909</u>	<u>100</u>

The movement in the deferred income tax assets is as follows:

	31.12.10	31.12.09
Balance at 1 January	8,341	10,092
Transfers	(12)	224
Exchange differences	9	-
Profit or loss charge	2,058	(1,975)
Balance at 31 December	<u>10,396</u>	<u>8,341</u>

The movement in the deferred income tax liabilities refers to the cost of autonomous taxation, to be paid in 2012.

The movement in deferred tax assets during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Tax Losses	Tax Incentives	Provisions / Adjustments	Total
Balance at 1 January 2009	4,121	4,380	1,591	10,092
Profit or loss charge	(1,026)	(966)	17	(1,975)
Transfers	219	-	5	224
Balance at 31 December 2009	3,314	3,414	1,613	8,341
Profit or loss charge	(939)	2,936	61	2,058
Transfers	(12)	-	-	(12)
Exchange differences	9	-	-	9
Balance at 31 December 2010	<u>2,372</u>	<u>6,350</u>	<u>1,674</u>	<u>10,396</u>

Deferred tax assets related to tax incentives result from projects of research and development submitted under the incentive program SIFIDE.

The expiry date of the deferred tax assets can be analysed as follows:

	Tax Losses	Tax Incentives	Provisions / Adjustments	Total
No later than 1 year	33	-	-	33
Between 1 and 2 years	774	668	-	1,442
Between 2 and 3 years	280	88	-	368
Between 3 and 4 years	263	700	-	963
Between 4 and 5 years	244	3,364	-	3,608
Between 5 and 6 years	-	1,530	-	1,530
Over 6 years	778	-	-	778
With no defined date	-	-	1,674	1,674
	2,372	6,350	1,674	10,396

11. Other non-current assets

	31.12.10	31.12.09
Financial investments disposal	69	134
	69	134

This heading refers to the non-current amount related to the disposal of the financial holding in Sapi 2 ci, Consultadoria Informática, S.A..

The fair value of 'Other non-current assets' balance approximates its carrying amount.

12. Inventories

	31.12.10	31.12.09
Merchandise	10,872	6,740
Finished products	195	2,252
Raw materials, subsidiary goods and consumables	311	458
	11,378	9,450
Inventory impairment	(975)	(857)
	10,403	8,593

Movements in inventory impairment are analysed as follows:

	31.12.10	31.12.09
Balance at 1 January	857	1,508
Impairment (see note 29)	282	111
Impairment reversal (see note 29)	(166)	(77)
Gains on inventories	2	-
Write off's	-	(685)
	975	857

The cost of inventories recognised as expense and included in 'Cost of sales' and 'External supplies and services' headings amounted to EUR 102,750 thousand (2009: EUR 108,674 thousand).

13. Financial instruments by category

At 31 December 2009	Loans and receivables	Assets/liabilit. at fair value through P&L	Other financial liabilities	Non-financial assets/ liabilities	Total
Assets					
Other non-current assets	134	-	-	-	134
Trade and other receivables	90,731	-	-	3,329	94,060
Accrued income	11,055	-	-	-	11,055
Derivative financial instruments	-	58	-	-	58
Other current assets	-	-	-	2,485	2,485
Cash and cash equivalents	24,972	-	-	-	24,972
	<u>126,892</u>	<u>58</u>	<u>-</u>	<u>5,814</u>	<u>132,764</u>
Liabilities					
Other non-current liabilities	-	-	1,123	-	1,123
Borrowings	-	-	8,470	-	8,470
Trade and other payables	-	-	62,774	-	62,774
Derivative financial instruments	-	139	-	-	139
Deferred income and other current liabilities	-	-	19,662	-	19,662
	<u>-</u>	<u>139</u>	<u>92,029</u>	<u>-</u>	<u>92,168</u>
At 31 December 2010	Loans and receivables	Assets/liabilit. at fair value through P&L	Other financial liabilities	Non-financial assets/ liabilities	Total
Assets					
Other non-current assets	69	-	-	-	69
Trade and other receivables	81,982	-	-	1,303	83,285
Accrued income	14,035	-	-	-	14,035
Derivative financial instruments	-	197	-	-	197
Other current assets	-	-	-	3,834	3,834
Cash and cash equivalents	28,088	-	-	-	28,088
	<u>124,174</u>	<u>197</u>	<u>-</u>	<u>5,137</u>	<u>129,508</u>
Liabilities					
Other non-current liabilities	-	-	927	-	927
Borrowings	-	-	13,212	-	13,212
Trade and other payables	-	-	57,101	-	57,101
Derivative financial instruments	-	353	-	-	353
Deferred income and other current liabilities	-	-	22,807	-	22,807
	<u>-</u>	<u>353</u>	<u>94,047</u>	<u>-</u>	<u>94,400</u>

14. Trade and other receivables

	31.12.10	31.12.09
Trade receivables	80,409	91,580
Allowance for impairment of trade receivables	(2,012)	(3,452)
	<u>78,397</u>	<u>88,128</u>
Prepayments to suppliers	537	1,011
Employees	73	151
Value added tax	693	2,167
Receivables from related parties (note 39)	753	896
Financial investments disposal	150	149
Receivables from financed projects	2,113	1,206
Other receivables	4,011	4,107
Allowance for impairment of other receivables	(3,442)	(3,755)
	<u>4,888</u>	<u>5,932</u>
	<u>83,285</u>	<u>94,060</u>

The fair value of 'Trade and other receivables' balance approximates its carrying amount.

The carrying amount of this heading plus the balance of 'Accrued income' (see note 15) represents the maximum exposure to credit risk.

The ageing analysis of the carrying amounts of trade receivables is as follows:

	31.12.10	31.12.09
Carrying amount of receivables not due	46,085	48,837
Carrying amount of receivables not impaired		
Past due for less than 6 months	24,931	33,395
Past due for more than 6 months	7,343	5,857
Carrying amount of receivables due and not impaired	32,274	39,252
Carrying amount of receivables impaired		
Past due for less than 6 months	4	438
Past due for more than 6 months	2,046	3,053
Carrying amount of receivables due and impaired	2,050	3,491
	80,409	91,580

Movements in allowances for impairment of trade and other receivables are as follows:

	Trade receivables		Other receivables		Total	
	31.12.10	31.12.09	31.12.10	31.12.09	31.12.10	31.12.09
Balance at 1 January	3,452	2,693	3,755	3,960	7,207	6,653
Impairment (note 29)	203	978	29	66	232	1,044
Impairment reversal (note 29)	(1,033)	(219)	(216)	(225)	(1,249)	(444)
Transfers	79	-	32	(232)	111	(232)
Recovery of bad debts	16	-	-	-	16	-
Write off's	(705)	-	(158)	186	(863)	186
	2,012	3,452	3,442	3,755	5,454	7,207

15. Accrued income

	31.12.10	31.12.09
- Ongoing projects	12,775	10,132
- Other accrued income	1,260	923
	14,035	11,055

16. Derivative financial instruments

The fair value of derivative financial instruments can be analysed as follows:

	Assets		Liabilities	
	31.12.10	31.12.09	31.12.10	31.12.09
- Forward foreign exchange contracts	197	58	353	139
	197	58	353	139

The Group is exposed to foreign exchange risk in sales and purchases in various currencies, primarily with respect to the U.S. Dollar. The financial instruments used to manage this exchange risk are the forward foreign exchange contracts, which are used based on the receipt and payment dates agreed with third parties, in order to fix the exchange rate associated with these transactions. The nature of the hedged risk is the exchange variation registered in transactions denominated in foreign currencies.

The fair value is classified as a non-current asset or liability if the remaining maturity is more than 12 months and as a current asset or liability if the maturity is less than 12 months. In 2010, the derivative financial instruments were classified as current assets and liabilities. Gains and losses arising from fair value variations were recognised in profit or loss, since the derivative financial instruments were classified as held for trading.

At 31 December 2010, the Group had forward foreign exchange contracts of EUR Call / USD Put with the notional amount of USD 16,278,000 and forward foreign exchange contracts of EUR Put / USD Call with the notional amount of USD 8,620,000.

17. Other current assets

The amounts recorded regarding prepayments of contracted services are as follows:

	31.12.10	31.12.09
- Hardware and software maintenance	97	134
- Subcontracts	1,345	511
- Rents	304	506
- Software licensing	39	284
- Consulting	165	227
- Other prepayments	1,884	823
	<u>3,834</u>	<u>2,485</u>

In order to ensure the proper balancing of the services provided by third parties, costs and income were deferred and will be recognised in profit or loss in the next period.

18. Cash and cash equivalents

With reference to the consolidated statement of cash flows, the detail and description of **Cash, cash equivalents and bank overdrafts** is analysed as follows:

	31.12.10	31.12.09
- Cash	7	4
- Short term bank deposits	28,081	24,968
Cash and cash equivalents	<u>28,088</u>	<u>24,972</u>
- Overdrafts	(1,031)	(946)
	<u>27,057</u>	<u>24,026</u>

In 2009, the change in consolidation universe refers to the dissolution of the subsidiary Contactless SBCA, S.A., which had a negative impact of EUR 215 thousand.

The fair value of 'Cash and cash equivalents' balance approximates its carrying amount.

The maximum exposure to credit risk at the reporting date is the carrying amount mentioned above.

19. Share Capital, share premium, treasury shares and stock options

The share capital at 31 December 2010, fully subscribed and paid of 15,700,697 Euros, is represented by 31,401,394 shares with a nominal value of 0.5 Euros each.

	Number of shares (thousands)	Share capital	Treasury shares	Share premium	Total
Balance at 1 January 2009	31,401	15,701	(429)	49,213	64,485
Treasury shares purchased	-	-	(416)	-	(416)
Treasury shares transferred	-	-	117	-	117
Treasury shares disposed	-	-	5	-	5
Balance at 31 December 2009	<u>31,401</u>	<u>15,701</u>	<u>(723)</u>	<u>49,213</u>	<u>64,191</u>
Share capital reduction	-	(5,652)	-	-	(5,652)
Share capital increase	-	5,652	-	(5,652)	-
Treasury shares transferred	-	-	120	-	120
Balance at 31 December 2010	<u>31,401</u>	<u>15,701</u>	<u>(603)</u>	<u>43,560</u>	<u>58,658</u>

In the annual General Meeting of Shareholders held on 29 April 2010, it was approved:

(i) The reduction of the share capital to 10,048,446 Euros, to be carried out by means of a reduction of the nominal value of all the shares representing the share capital. Each share will have the nominal value of 0.32 Euros and the freed amount of 5,652,251 Euros shall be directly allocated to shareholders, corresponding to 0.18 Euros per share; and

(ii) The increase of the share capital to 15,700,697 Euros by incorporation of 5,652,251 Euros from share premium reserve, to be carried out by means of an increase of the nominal value of all the shares representing the share capital in the amount of 0.18 Euros. As a result of the share capital increase, each share will have the nominal value of 0.50 Euros.

As a result of the registration of these operations, the nominal value of all shares representing Novabase's share capital, at 31 December 2010, is 0.50 Euros, as prior to the execution of such operations.

'Treasury shares' heading reflects the number of shares held by the Group at its nominal value.

According to legislation in force, by deliberation of the General Meeting of Shareholders held on 12 April 2007, the purchase of treasury shares by Novabase S.G.P.S. is permitted up to a maximum of 10% of its share capital.

At 31 December 2009, Novabase S.G.P.S. held 1,445,905 treasury shares, representing 4.60% of its share capital.

During 2010, the company transferred 239,262 shares at the average price of 3.91 Euros, being those treasury shares used for the settlement of acquisitions to non-controlling interests, and as bonuses to employees.

At 31 December 2010, Novabase S.G.P.S. held 1,206,643 treasury shares, representing 3.84% of its share capital.

Issuance share premiums resulted from gains obtained with share capital increases. According to the current legislation, the amounts included under this heading can be used only to increase share capital or to absorb losses carried forward (no need for prior use of other reserves), it can not be used for attribution of dividends or purchase of treasury shares.

Stock options

At 31 December 2010, one stock options plan is in force (2009-2011 Plan), approved in Shareholders General Meeting of 28 April 2009, which covers only the shareholders of Novabase S.G.P.S..

This stock options plan is based on granting stock options over Novabase ordinary shares, as a performance bonus for participants of the plan.

The stock options granted have as only condition for its acquisition, the permanency of the employee in the dates defined in each plan, and automatically expire whenever the employee stops working in any of the Group companies.

Under the terms of the plan, exercised options are settled through the attribution of treasury shares held by Novabase (net share settlement).

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	31.12.10		31.12.09	
	Average exercise price per share	Options (thousands)	Average exercise price per share	Options (thousands)
Balance at 1 January		1,971		1,610
Granted		-	4.04	1,960
Exercised		-	4.09	(11)
Expired	4.09	(11)	6.39	(1,588)
Balance at 31 December		1,960		1,971

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Expiry date	Exercise price	Options (thousands)	
		31.12.10	31.12.09
2010	4.09	-	11
2012	4.04	1,960	1,960
		1,960	1,971

In the statement of comprehensive income, under 'Employee benefit expense' heading, was booked a cost of EUR 697 thousand (2009: EUR 379 thousand) - see note 28.

20. Reserves and retained earnings

According to legislation in force, portuguese based companies that integrate Novabase Group are required to transfer at least 5% of annual net profit to legal reserves until this balance reaches 20% of the share capital. This reserve can not be distributed to shareholders though it may be used to absorb losses carried forward.

In 2010, the Group performed operations of acquisitions to non-controlling interests, with the following impact (see note 39):

	31.12.10			31.12.09		
	Acquisition/ disposal cost	Equity acquired/ (disposed)	Acquisition difference	Acquisition / disposal cost	Equity acquired/ (disposed)	Acquisition difference
(i) Acquisition of 12.73% in Novabase Infr. SGPS	214	-	214	180	-	180
(i) Acquisition of Digital TV business	(246)	-	(246)	(206)	-	(206)
(ii) Reorganization Novabase EA	-	-	-	-	(727)	727
Acquisition of 24.5% in Collab	-	-	-	15	272	(257)
(iii) Acquisition of 10% in Novabase Int. Solutions	1,093	742	351	-	-	-
	<u>1,061</u>	<u>742</u>	<u>319</u>	<u>(11)</u>	<u>(455)</u>	<u>444</u>

- (i) In the sequence of the transactions with non-controlling interests occurred in 2008, the acquisition cost was reviewed, in 2009 and in 2010, based on the achievement of goals by the subsidiary.
- (ii) Internal reorganization of Novabase EA with dilution effect in the Group share.
- (iii) Acquisition of 10% in Novabase International Solutions B.V. and, consequently, of the remaining financial holding in Novabase Solutions Middle East FZ-LLC and in Novabase E.A., S.A., and of 5.5% in Celfocus S.A..

In the operations described above, as the financial holdings were acquired to non-controlling interests in which the Group already had control, the Economic Entity Model Method was applied, and the difference between the acquisition cost and the net assets value of the subsidiaries acquired was booked in Equity, in the total amount of EUR 319 thousand. The non-controlling interests decreased by EUR 742 thousand.

21. Non-controlling interests

	31.12.10	31.12.09
Balance at 1 January	5,644	5,165
Transactions with non-controlling interests - see note 20	(742)	455
Changes in consolidation universe (*)	173	(142)
Foreign currency translation differences for foreign operations	10	-
Profit attributable to non-controlling interests	639	166
Balance at 31 December	<u>5,724</u>	<u>5,644</u>

(*) In 2009, Contactless SBCA, S.A. was dissolved, being lapsed the balance of non-controlling interests (EUR 142 thousand). In 2010, NBASIT - Sistema de Informação e Telecomunicações, S.A. (Angola) was incorporated.

22. Borrowings

	31.12.10	31.12.09
Non-current		
Bank borrowings	6,200	2,500
Finance lease liabilities	1,679	1,468
	<u>7,879</u>	<u>3,968</u>
Current		
Bank borrowings	4,272	3,162
Finance lease liabilities	1,061	1,340
	<u>5,333</u>	<u>4,502</u>
Total borrowings	<u>13,212</u>	<u>8,470</u>

The fair value of 'Borrowings' balance approximates its carrying amount.

The periods in which the current bank borrowings will be paid and negotiated with different conditions are as follows:

	31.12.10	31.12.09
6 months or less	3,097	1,980
6 to 12 months	1,175	1,182
	<u>4,272</u>	<u>3,162</u>

The maturity of non-current bank borrowings is as follows:

	31.12.10	31.12.09
Between 1 and 2 years	2,450	1,000
Between 2 and 5 years	3,600	1,500
Over 5 years	150	-
	<u>6,200</u>	<u>2,500</u>

The effective interest rates at the reporting date were as follows:

	31.12.10	31.12.09
Bank borrowings	4.299%	2.658%
Bank overdrafts	1.568%	2.016%

Gross finance lease liabilities – minimum lease payments:

	31.12.10	31.12.09
No later than 1 year	1,526	1,817
Between 1 and 5 years	2,264	1,989
	<u>3,790</u>	<u>3,806</u>
Future finance charges on finance leases	(1,050)	(998)
Present value of finance lease liabilities	<u>2,740</u>	<u>2,808</u>

The present value of finance lease liabilities is as follows:

	31.12.10	31.12.09
No later than 1 year	1,061	1,340
Between 1 and 5 years	1,679	1,468
	<u>2,740</u>	<u>2,808</u>

23. Provisions

Movements in **Provisions** are analysed as follows:

	Warranties	Legal claims	Other risks and charges	Total
Balance at 1 January 2009	791	100	959	1,850
Additional provisions (note 29)	626	15	460	1,101
Used during the year (note 29)	(627)	-	(300)	(927)
Transfers	-	384	(163)	221
Balance at 31 December 2009	790	499	956	2,245
Additional provisions (note 29)	178	-	425	603
Used during the year (note 29)	(588)	(15)	(612)	(1,215)
Balance at 31 December 2010	<u>380</u>	<u>484</u>	<u>769</u>	<u>1,633</u>

Provisions balance includes the following matters:

Warranties - Liabilities related with third parties subcontracts in the supply of hardware for the TV business, to cover the clients' warranty period. Cash outflows relative to such liabilities occurs in the moment the guarantee is exercised.

Legal claims - Responsibility with indemnities to third parties related with the legal processes in progress. The payment of this liability depends on the conclusion of the referred legal actions (see note 41).

Other risks and charges - Refers mainly to responsibilities with costs to be incurred with possible contractual penalties relative to ongoing projects.

24. Other non-current liabilities

	31.12.10	31.12.09
Acquisition of financial interests to non-controlling interests (note 39)	927	1,123
	<u>927</u>	<u>1,123</u>

This heading refers to the non-current balance related to the acquisition of financial holdings to non-controlling interests in which the Group already had control (note 20).

The fair value of 'Other non-current liabilities' balance approximates its carrying amount.

The due date of these liabilities is as follows:

	31.12.10	31.12.09
Between 1 and 2 years	683	595
Between 2 and 5 years	244	528
	<u>927</u>	<u>1,123</u>

25. Trade and other payables

	31.12.10	31.12.09
Trade payables	19,122	27,512
Remunerations, vacations and vacation subsidy	8,240	7,468
Bonus	10,160	10,413
Ongoing projects	3,008	1,959
Value added tax	6,954	7,000
Social security contributions	1,954	1,704
Income tax withholding	1,391	1,050
Employees	181	122
Prepayments from trade receivables	24	205
Acquisition of financial interests to non-controlling interests (note 39)	683	646
Other accrued expenses	4,524	4,099
Other payables	860	596
	<u>57,101</u>	<u>62,774</u>

The fair value of 'Trade and other payables' balance approximates its carrying amount.

The maturity of these liabilities is as follows:

	31.12.10	31.12.09
No later than 1 year	57,101	62,774
	<u>57,101</u>	<u>62,774</u>

26. Deferred income and other current liabilities

	31.12.10	31.12.09
Subsidies		
- Research and development subsidies	2 974	1 253
- Training subsidies	-	109
Consulting projects	19 833	18 300
	<u>22,807</u>	<u>19,662</u>

At 31 December 2010, the Group expect to comply with the relevant conditions to receive the following financial incentives for research, development and training:

	Contracted amount	Acum. received amount
Subsidies:		
- NSRF - Incentive Scheme for Research and Technological Development (R&D)	2 346	1 080
- Other subsidies	1 120	273
	<u>3,466</u>	<u>1,353</u>

27. External supplies and services

	31.12.10	31.12.09
Subcontracts	23,310	20,102
Supplies and services:		
Commissions and consultancy fees	9,554	9,792
Transportation, travel and accommodation expenses	6,834	5,774
Rents	2,776	2,860
Specialized services	1,862	1,703
Freight	1,002	1,175
Advertising and promotion	1,715	1,023
Water, electricity and fuel	973	844
Communications	824	651
Insurance	447	368
Utensils, office supplies and technical documentation	221	150
Other supplies and services	860	866
	27,068	25,206
	50,378	45,308

28. Employee benefit expense

	31.12.10	31.12.09
Board members remuneration	8,057	7,609
Salaries and wages	55,613	52,501
Social security charges	9,330	8,367
Stock options granted to employees and board members	697	379
Other personnel expenses	1,910	1,647
	75,607	70,503

Average number of personnel, by business unit, is detailed as follows:

	31.12.10	31.12.09
Consulting	1,141	1,044
IMS	413	375
Digital TV	306	308
Novabase Capital	43	35
Novabase Shared Services	100	99
	2,003	1,861

29. Other gains/(losses) - net

	31.12.10	31.12.09
Impairment and impairment reversal of trade and other receivables	1,017	(600)
Impairment and impairment reversal of inventories	(116)	(34)
Warranties provision	410	1
Legal claims provision	15	(15)
Provisions for other risks and charges	187	(160)
Operational subsidies	569	319
Other operational gains and losses	(135)	380
	1,947	(109)

30. Depreciation and amortisation

	31.12.10	31.12.09
<i>Property, plant and equipment:</i>		
Buildings and other constructions	523	205
Basic equipment	1,475	1,259
Transport equipment	1,097	1,256
Tools and utensils	7	-
Furniture, fittings and equipment	188	240
Other tangible assets	1	1
	<u>3,291</u>	<u>2,961</u>
<i>Intangible assets:</i>		
Internally generated intangible assets	266	744
Industrial property and other rights	1,921	1,406
	<u>2,187</u>	<u>2,150</u>
	<u>5,478</u>	<u>5,111</u>

31. Finance income

	31.12.10	31.12.09
Interest received	197	825
Positive exchange differences	4,975	2,106
Other financial gains	84	29
	<u>5,256</u>	<u>2,960</u>

32. Finance costs

	31.12.10	31.12.09
Interest expenses		
- Borrowings	(212)	(184)
- Finance lease liabilities	(533)	(484)
- Factoring	-	(16)
- Other interest	(154)	(57)
Bank guarantees charges	(116)	(123)
Bank services	(152)	(144)
Negative exchange differences	(4,189)	(1,778)
Other financial losses	(15)	(1)
	<u>(5,371)</u>	<u>(2,787)</u>

33. Share of loss of associates

	Profit / (Loss) - see note 9	
	31.12.10	31.12.09
Fundo Capital Risco and its subsidiaries	(249)	(417)
Gains on financial investment disposal in Superemprego, S.A.	-	90
Novabase Atlântico - Sist. Informação, S.A.	(6)	(29)
(*) TechnoTrend GmbH	-	(757)
	<u>(255)</u>	<u>(1,113)</u>

(*) Since the beginning of October 2008, Novabase lost the power to govern the financial and operating policies of this company, therefore, has abandoned the full method and has adopted the equity method of consolidation. In the end of that year, the fair value of this financial holding was considered null, and the Group recognised its total impairment. In 2009, the Group paid approximately EUR 757 thousand to end the legal dispute with Goetzpartner investment bank regarding intermediation services in the disposal of the associate TechnoTrend GmbH, of which EUR 700 thousand refers to the agreement with the bank and EUR 57 thousand are costs incurred in the process.

34. Income tax expense

Since 1 January 2009, Novabase is subject to the special taxation regime for groups of companies (Group taxation relief). For taxation purposes, this group includes companies detained in 90% or more by Novabase S.G.P.S. which comply with the further requirements under article 69° and following of the Corporate Income Tax Code.

This heading is analysed as follows:

	31.12.10	31.12.09
Current tax	3,877	659
Deferred tax on temporary differences	(1,249)	1,975
	<u>2,628</u>	<u>2,634</u>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average rate applicable to profits of the consolidated entities as follows:

	31.12.10	31.12.09
Profit before income tax	16,320	15,682
Income tax expense at nominal rate (25%)	4,080	3,921
Tax benefit on the net creation of employment for young and long term unemployed people	(522)	(368)
Provisions and amortisations not considered for tax purposes	155	226
Recognition of tax on the events of previous years	12	-
Non taxable gains arising from financial holdings disposals	-	(23)
Associates' results reported net of tax	64	112
Autonomous taxation	2,228	558
Losses in companies where no deferred tax is recognised	(221)	(26)
Expenses not deductible for tax purposes	124	-
Differential tax rate on companies located abroad	(7)	-
Research & Development tax benefit	(3,886)	(2,078)
Municipal surcharge	297	299
Impairment of Special Payment on Account and tax losses	325	-
Other	(21)	13
Income tax expense	<u>2,628</u>	<u>2,634</u>

35. Earnings per share**Basic**

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares (note 19).

Diluted

Diluted earnings per share is calculated by adjusting the average weighted number of ordinary shares outstanding to assume the conversion of all dilutive potential ordinary shares. Novabase has just one type of dilutive potential ordinary shares: stock options. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares). The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of all the stock options.

Earnings per share are analysed as follows:

	31.12.10	31.12.09
Weighted average number of ordinary shares in issue	30,138,589	30,257,068
Stock options adjustment	-	104,663
Adjusted weighted average number of ordinary shares in issue	<u>30,138,589</u>	<u>30,361,730</u>
Profit attributable to owners of the parent	13,053	12,882
Basic earnings per share (Euros per share)	0.43 Euros	0.43 Euros
Diluted earnings per share (Euros per share)	0.43 Euros	0.42 Euros

36. Dividends per share

The amounts paid in 2010, in the total amount of EUR 15,700 thousand, 0.5 Euros per share, corresponds to dividends paid to Novabase' shareholders, in the amount of EUR 10,048 thousand, 0.32 Euros per share, and the amounts freed as result of the share capital reduction, in the amount of EUR 5,652 thousand, 0.18 Euros per share. These amounts differ from the ones shown in the consolidated statement of cash flows due to the remuneration of the treasury shares held by the Company, that remained in Novabase. In respect to the year 2010, the Board of Directors will propose to the Annual General Meeting of Shareholders of 2011, the payment of 0.13 Euros per share, that is, a total amount of EUR 4.1 Million. These financial statements do not reflect this dividend payable.

37. Commitments

The financial commitments not included in the statement of financial position related with bank guarantees provided to third parties for ongoing projects, are detailed as follows:

	Bank	31.12.10	31.12.09
Novabase S.G.P.S., S.A.	BPI	1,499	2
Novabase E. A., S.A.	BES	60	-
Novabase Consulting, S.A.	BPI	966	1,540
Novabase Consulting, S.A.	BES	5,002	4,762
NBO Recursos em TI, S.A.	BPI	10	473
NBO Recursos em TI, S.A.	BES	-	73
Novabase Serviços, S.A.	BPI	12	17
Novabase Serviços, S.A.	BES	390	371
CelFocus, S.A.	BES	465	112
COLLAB – Sol. I. Com. e Colab., S.A.	BES	229	186
Octal - Engenharia de Sistemas, S.A.	BCP	472	472
Octal - Engenharia de Sistemas, S.A.	BES	513	493
Novabase IMS Infr. & Manag. Services, S.A.	BES	5,727	5,361
Novabase IMS Infr. & Manag. Services, S.A.	BCP	278	13
Novabase IMS Infr. & Manag. Services, S.A.	BPI	330	-
Novabase Infr. Integracion S. Inf., S.A.	BESSA	34	103
Novabase Digital TV E.S. Tel. Inter., S.A.	BCP	237	237
Novabase Digital TV E.S. Tel. Inter., S.A.	BBVA	-	237
Novabase Digital TV E.S. Tel. Inter., S.A.	BES	183	-
Novabase Consulting Espanha, S.A.	BESSA	68	49
		16,475	14,501

Novabase Capital has an option to acquire all the units held by IAPMEI in Fundo Capital de Risco, and may exercise this option at any time after 31 December 2008, under the conditions set in Article 21 of Fund by law.

Due to the sale and purchase promise-agreement concluded with Electricidade dos Açores (EDA), and the conditions in shareholders agreement between EDA and Novabase, this company has an option to buy the shareholding held by Novabase in the end of the period of the outsourcing rendered services contract between Novabase and EDA, by the value of the equity of Novabase Atlântico.

In 2010, the Group had the following grouped credit lines contracted:

Group of companies	Plafond
Novabase IMS; Novabase Digital TV	2.5 M€
Novabase S.G.P.S.; Novabase IMS	5.0 M€
Novabase S.G.P.S.; Novabase Digital TV	3.0 M USD

There are commitments resulting from operating leases. At 31 December 2010, these obligations refers mainly to the leases of 'Edifício Caribe', the Company's headquarter, and of the new facilities of the logistics unit. The minimum lease payments under these operating lease liabilities amounts to EUR 4,533 thousand (2009: EUR 6,207 thousand).

38. Net Cash

With reference to the Board of Directors' Report, the detail and description of **Net Cash** is analysed as follows:

	31.12.10	31.12.09
Cash (note 18)	7	4
Short term bank deposits (note 18)	28,081	24,968
Treasury shares held by the Company (*)	3,499	6,420
Non-current bank borrowings (note 22)	(6,200)	(2,500)
Current bank borrowings (note 22)	(4,272)	(3,162)
	<u>21,115</u>	<u>25,730</u>

(*) The share price in the Stock Exchange in the last tradable day of 2010 was 2.90 Euros (2009: 4.44 Euros).

39. Related-party transactions

For reporting purposes, related-party consider subsidiaries, associates, shareholders with management influence and key elements in the Group management.

The transactions with related parties below identified were performed at arm's length, and are detailed as follows:

i) Sales of goods and services rendered

	31.12.10	31.12.09
BES Group	13,960	26,287
	<u>13,960</u>	<u>26,287</u>

ii) Purchases of goods and services

	31.12.10	31.12.09
BES Group	582	211
	<u>582</u>	<u>211</u>

iii) Key management compensation

	31.12.10	31.12.09
Salaries and other short-term employee benefits	8,057	7,609
Stock options granted (note 28)	697	379
	<u>8,754</u>	<u>7,988</u>

iv) Advanced payments / loans to key elements in the Group management

	31.12.10	31.12.09
Advanced payments	-	98
	<u>-</u>	<u>98</u>

v) Balances arising from purchases / sales of goods and services

	31.12.10	31.12.09
Receivables from related parties		
BES Group	3,835	6,607
	<u>3,835</u>	<u>6,607</u>
Payables from related parties		
BES Group	68	-
	<u>68</u>	<u>-</u>

vi) Acquisition of financial interests to related parties (see note 20)

	31.12.10	31.12.09
Acquisitions to former shareholders of Novabase Infraestructuras, SGPS	214	180
Acquisitions to former shareholders of Novabase Digital TV, S.A.	(246)	(206)
Acquisitions to former shareholders of Collab	-	15
Acquisitions to former shareholders of Novabase International Solutions B.V.	1,093	-
	<u>1,061</u>	<u>(11)</u>

vii) Balances arising from acquisitions of financial interests to related parties (former shareholders)

	Non-current (note 24)		Current (note 25)		Total	
	31.12.10	31.12.09	31.12.10	31.12.09	31.12.10	31.12.09
Novabase Consulting SGPS	306	612	307	307	613	919
Novabase Infraestruturas, SGPS	-	-	-	50	-	50
Novabase Dig. TV, Novabase Int.TV e OnTV	-	179	-	178	-	357
Novabase A. C. D.	157	235	78	78	235	313
SAF	65	97	32	33	97	130
Novabase International Solutions B.V.	399	-	266	-	665	-
	<u>927</u>	<u>1,123</u>	<u>683</u>	<u>646</u>	<u>1,610</u>	<u>1,769</u>

viii) Other balances with related parties

	31.12.10	31.12.09
Loan to Mind	259	259
Loan to Forward	22	22
Loan to Novabase Atlântico	450	559
Loans to other associates	22	56
Receivables from related parties (note 14)	<u>753</u>	<u>896</u>
Provisions for loans granted to associates	<u>(259)</u>	<u>(259)</u>
	<u>494</u>	<u>637</u>

ix) Bank deposits and finance investments (including overdrafts)

	31.12.10	31.12.09
BES Group	11,351	7,692

x) Interest paid on loans from related parties

	31.12.10	31.12.09
BES Group	-	6

40. Discontinued operations

In 14 March 2008, by decision of the Board of Directors, the Group has decided to initiate the legal procedures to the discontinuation of the activity in the 'Mobility Solutions' business. A provision of EUR 8.8 Million was booked in that year, for the closure of the Mobility Solutions area, which already includes all risks and costs involved in the closure of the activity. The implementation of the closure plan has been carried out as forecasted and is almost finalized. The pending situations involve legal processes and negotiations with suppliers.

The assets and liabilities for discontinued operations are detailed as follows:

	31.12.10	31.12.09
Assets		
Tangible and intangible assets	-	53
Deferred income tax assets	-	(17)
Total Non-Current Assets	<u>-</u>	<u>36</u>
Trade receivables	1	83
Other receivables, accrued income and other current assets	48	707
Cash and cash equivalents	-	-
Total Current Assets	<u>49</u>	<u>790</u>
Assets for discontinued operations	<u>49</u>	<u>826</u>
Liabilities		
Provisions	-	50
Total Non-Current Liabilities	<u>-</u>	<u>50</u>
Borrowings	-	19
Trade and other payables	745	750
Total Current Liabilities	<u>745</u>	<u>769</u>
Liabilities for discontinued operations	<u>745</u>	<u>819</u>

The cash flows for discontinued operations are detailed as follows:

	31.12.10	31.12.09
Cash flows from operating activities	-	350
Cash flows from investing activities	-	-
Cash flows from financing activities	-	(350)
Cash and bank overdrafts from discontinued operations - net	-	-

41. Contingencies

At 31 December 2010, the Group was part intervenient in the following legal processes:

- Court procedure brought by the company Drink In against Novabase E.A., under which the plaintiff claims the payment of approximately EUR 716 thousand allegedly for the application of penalties for the delay in implementing and installing a computer system. Under the same proceedings, Novabase's subsidiary in question filed a reply and a counterclaim in the amount of approximately EUR 404 thousand concerning unpaid invoices in the same project. The hearing has finished and final ruling has been issued by the Court considering unfounded the Plaintiff's arguments thereby ruling in favour of Novabase and in addition considering the amounts claimed by Novabase to be due. In addition, the court has deemed the Plaintiff's action to have been abusive. The above-mentioned company Drink In has filed for insolvency whereby Novabase E.A. has claimed credits in the amount of approximately EUR 404 thousand concerning unpaid invoices. Creditors have ruled in favour of the assignment of the plant to Font Salem. The Insolvency Administrator has been granted powers to execute the Agreement with the buyer. The procedure awaits its ulterior terms.
- Novabase E.A. has been served regarding two procedures brought forward by the Instituto de Gestão Financeira da Segurança Social regarding the alleged absence of payment of social security contributions in the years 2004, 2005, 2006 and 2007, in the amount of EUR 42 thousand and EUR 20 thousand. The company has filed opposition regarding the allegations demonstrating compliance with applicable laws, payment of all amounts due and providing documents to that respect. The procedures await decision by the competent organism (Centro Distrital da Segurança Social de Lisboa).
- Court procedure brought against Novabase S.G.P.S. and Novabase Capital, under which the plaintiff claims the payment of EUR 905 thousand, plus interests accrued until full payment, as well as the payment of the damages it suffered in a value yet to be established within the procedure. Final ruling has been issued by the Court which was totally in favour of the defendants. The Plaintiff has filed an appeal on the decision. The procedure awaits decision on this appeal.
- A former employee of Gedotecome has brought forward a claim in the Lisbon Labour Court against Novabase S.G.P.S., Octal, Novabase Serviços and Gedotecome, under which the plaintiff claims the existence of an employment contract with Gedotecome and request the payment of compensation by seniority and the payment of wage credits accrued and to be accrued. Novabase S.G.P.S. and its directly held subsidiaries were called by the plaintiff as solitarily responsible for the payments due by Gedotecome, in case she fails to comply with any court orders against her. It was claimed the illegitimacy of the companies with no direct relation with the employee. The total amount of potential liability under this action is of EUR 154 thousand, added of (i) interests accrued and to be accrued until full payment, (ii) the payment of the salaries accrued and to be accrued until the Courts decision (res judicata) and (iii) readmission of the employee or the payment of a compensation to be determined by the Judge (between 15 and 45 days of salary for each year of seniority). This case awaits final hearing. Preliminary hearing has been scheduled for March 11, 2011. On the appointed date for the preliminary hearing the parties failed to agree, having been drawn up specifications and questionnaires, and was designated the date of final hearing for January 9, 2012.
- Court procedure brought by the company Altitude Software, S.A. against Collab, under which the plaintiff claims (i) the seizure of the software, respective documentation and source-code, (ii) that the defendant be restricted from reproducing and commercialising the same software; as well as claims (iii) the payment of moral damages in the amount of EUR 500 thousand, and (iv) the application of a compulsory penalty, in the amount of EUR 1 thousand per day, for non-compliance of the defendant with a possible court decision in its favour. Novabase's subsidiary has presented a reply to this action and under the same proceedings has requested that a fine be imposed to the plaintiff on account of litigation on bad faith. The procedure is pending conclusion of experts' appointed by the parties and the Court analysis of the software, after which the judge will determine the date for final hearing.
- Collab has been served with a procedure from the Instituto de Gestão Financeira da Segurança Social regarding the alleged absence of payment of social security contributions of some months of the years 2006 to 2010, in the amount of EUR 39 thousand. The company has filed opposition regarding the allegations demonstrating compliance with applicable laws, payment of all amounts due and providing documents to that respect. The procedure awaits decision by the competent organism (Centro Distrital da Segurança Social de Lisboa).
- Court procedure brought by the company CES - Comércio de Equipamentos de Escritório, S.A. against Novabase IMS, under which the plaintiff claims (i) the restitution of equipment and furniture that was installed in the premises of the co-defendant of the subsidiary of Novabase and that belongs to it and (ii) the payment of an indenization for de damages it suffered to be determined at the time of enforcement of the decision. Under the same proceedings, Novabase's subsidiary in question filed a reply and a counterclaim in the amount of approximately EUR 176 thousand regarding amounts unlawfully paid to the plaintiff. The preliminary hearing has already taken place. The procedure awaits scheduling of the final hearing.
- A company has filed insolvency procedure against TBZ - Marketing, Acções Promocionais, SA whereby Novabase IMS has claimed credits in the amount of approximately EUR 24 thousand corresponding to the unpaid invoices. The procedure is currently in liquidation of the insolvents' assets in order to pay creditors.

- Court procedure brought by the company Digisat – Digital Satélite, Lda., under which Novabase Digital TV is co-Defendant and has presented its reply. The Court requested the Plaintiff to rectify the terms of the claim in order to clarify the action value (approximately EUR 40 thousand) and the amount of the claim (approximately EUR 100 thousand). The action awaits the pronouncement of the Plaintiff, meanwhile the Plaintiff's lawyer has renounced his power of attorney. To this effect, court procedure is suspended by Judge's Orders as of June 24, 2008. Should the suspension continue for a period in excess of one year due to negligence of the parties in promoting its continuance the procedure will be deemed interrupted. Within two years of interruption of the procedure it will be considered deserted, thereby terminating without any further action. There is no order of the Judge, yet.
- Novabase Digital TV is a defendant in a proceeding brought against it by Wisi Comunicaciones, S.A., who claims the payment of approximately EUR 24 thousand. The company presented a reply to this action. Final hearing has been scheduled for May 4, 2011.
- Novabase IMS has a claim against Arcelomittal – Construção Portugal SA (formerly named Haironville Portugal – Indústria de Perfilhados, S.A.) to recover an amount of EUR 10 thousand plus interest in late payment. The defendant brought forward a counter-claim to recover EUR 15 thousand. Final ruling has been issued by the Court totally in favour of Novabase. The Defendant has filed an appeal on the decision. The procedure awaits decision on this appeal.
- The company Qimonda Portugal S.A. has filed for insolvency, whereby NBO has claimed credits in the amount of approximately EUR 980 thousand corresponding to the unpaid invoices and compensation for breach of prior notice for termination of contract. General Creditors Assembly has voted the Recovery Plan for the company and process is in place to start making payments to creditors.
- Novabase Consulting S.A. has been served regarding one procedure brought forward by the Instituto de Gestão Financeira da Segurança Social regarding the alleged absence of payment of social security contributions in the years 2004, 2005, 2006 e 2007, in the amount of EUR 131 thousand. The company has filed opposition regarding the allegations demonstrating compliance with applicable laws, payment of all amounts due and providing documents to that respect. The procedure awaits decision by the competent organism (Centro Distrital da Segurança Social de Lisboa). According to information provided from the IGFSS, part of the amounts allegedly in debt have been dismissed in favour of Novabase's claim, only EUR 28 thousand are still under analysis.
- Celfocus has been served with a claim brought forward by the Instituto de Gestão Financeira da Segurança Social regarding the alleged absence of payment of social security contributions in the amount of EUR 61 thousand. The company has filed opposition regarding the allegations demonstrating compliance with applicable laws, payment of all amounts due and providing documents to that respect. The procedure awaits decision by the competent organism (Centro Distrital da Segurança Social de Lisboa).
- NBO has been served with a claim brought forward by the Instituto de Gestão Financeira da Segurança Social regarding the alleged absence of payment of social security contributions in the amount of EUR 85 thousand. The company has filed opposition regarding the allegations demonstrating compliance with applicable laws, payment of all amounts due and providing documents to that respect, as well as the prescription of amounts allegedly owed. The procedure awaits decision by the competent organism (Centro Distrital da Segurança Social de Lisboa).
- Novabase Serviços has been served regarding a procedure brought forward by the Instituto de Gestão Financeira da Segurança Social which refers to alleged absence of payment of social security contributions in the years 2005, 2006, 2007, 2008 and 2009, in the amount of EUR 103 thousand. The company has filed opposition regarding the allegations demonstrating compliance with applicable laws, payment of all amounts due and providing documents to that respect. The procedure awaits decision by the competent organism (Centro Distrital da Segurança Social de Lisboa).
- Octal has been served regarding a procedure brought forward by the Instituto de Gestão Financeira da Segurança Social which refers to alleged absence of payment of social security contributions in the years 2006 to 2010, in the amount of EUR 20 thousand. The company has filed opposition regarding the allegations demonstrating compliance with applicable laws, payment of all amounts due and providing documents to that respect. The procedure awaits decision by the competent organism (Centro Distrital da Segurança Social de Lisboa).
- The Capital Fund for Qualified Investors Novabase/FCR FIQ, which is managed by the subsidiary Novabase Capital, is co-defendant in a procedure brought forward by a shareholder of a Manchete against the other two shareholders, the Fund and another individual shareholder. The Plaintiff is claiming violation of the Shareholders Agreement and requests (i) payment of a compensation in the amount of EUR 446 thousand in lieu of remunerations he would have received for the remaining period that the Shareholders Agreement would remain in force; (ii) an amount equal to 8.5% of company results before tax related to the years 2010 and further until final decision on the proceeding is issued; (iii) that the defendants are ordered to buy the plaintiff's shares for the price of EUR 750 thousand. The Fund has filed opposition and the procedure awaits scheduling for preliminary hearing.
- The company Singer – Produtos Eléctricos S.A. has filed for insolvency, and Octal 2 Mobile has claimed payment of credits in the amount of EUR 52 thousand. The procedure awaits scheduling for the Creditor's Assembly.
- Corrections project brought by DGCI – Direcção Geral de Contribuições e Impostos (Portuguese Tax Authority) against former Novabase A.C.D. (merged into Novabase Consulting S.A. in 2009), to the tax profit assessed concerning the years 2003, 2004 and 2005, with an estimated impact of EUR 3,534 thousand to the taxable income and EUR 1,060 thousand on the income tax. Novabase presented reply and a counterclaim, with solid arguments to the base of all the proposed corrections, and therefore considered a provision of EUR 383 thousand concerning the risk of an income tax potential adjustment. The Tax Authority reviewed the amount of the corrections and the contingency was reduced to approximately EUR 682 thousand. Novabase presented hierarchical appeal and is awaiting decision, but maintained the provision of EUR 383 thousand.

- Court procedure brought by Fazenda Nacional do Brazil (Brazilian Tax Authority) against Forward Brasil Tecnologias de Informação Ltda (previously named Novabase Brasil, Ltda), referring to tax liabilities concerning the years of 2002 and 2003. The total amount of the claim is to the date of EUR 350 thousand including interests. After the sale of the company back in 2005, Novabase undertook the liabilities for any past contingencies being therefore liable to defend the present court procedures. Novabase counter claimed the procedure and offered a bank guarantee for the claimed amount. Sufficient reasoning as well as documental evidence of the amounts paid to tax authorities in fiscal years at state were also submitted by Novabase. Procedure is now pending a decision. In November 2009, the company has adhered to the tax amnesty granted by the Federal Law nº 11.941, of May 27, 2009, which provides discounts in cases of tax debts payments under discussion. Following that, the company submitted petitions demanding the withdrawal of the embargo to fiscal execution (defenses) that had been presented, which are awaiting decision. Currently, the company is awaiting for the next stage of the tax amnesty program that will define the exactly discounts that will be obtained and the amount to be paid.

42. Additional information requested by law

In accordance with article 508-F of the Portuguese Commercial Companies Code, we hereby inform of the following:

- (i) In addition to all operations described in the notes above, as well as in the Management's Report, there are no other operations considered relevant which are not already contained either in the statement of financial position or its annex;
- (ii) The total remuneration paid to the Chartered Accountant in 2010 was 202,800 Euros, of which 200,000 Euros correspond to legal accounts audit services, while the remaining 2,800 Euros, relate other works;
- (iii) Note 39 of the Notes to the Consolidated Financial Statements includes all the related parties disclosures, in accordance with the International Accounting Standards.

43. Events after the reporting period

Novabase informs the intention to implement a shareholder remuneration policy

The Board of Directors announced its intention to propose to the annual General Meeting of 2011 the implementation of a shareholder remuneration policy with the following main terms and conditions: (i) payment, in 2011, of a cash dividend of 0.13 Euros per share, corresponding to a global amount of EUR 4.1 Million; and (ii) as from 2011 onwards, annual payment of a dividend in the amount corresponding to between 30% and 40% of the consolidated net profit of each financial year.

Novabase received approval for its applications for SAFPRI

Taking into account the enlargement of its activities, Novabase Capital received approval from the Steering Committees of the COMPETE and POR Lisboa, for its applications for SAFPRI (Support System for the Financing and Risk Sharing of Innovation) under the NSRF, framework co-financed by the European Union via the ERDF, to create two venture capital funds, 'Novabase Capital Inovação e Internacionalização' and 'Novabase Capital Early Stage'. The 'Novabase Capital Inovação e Internacionalização' fund, with a maximum provision of EUR 10.1 Million, including a contribution from the COMPETE program of EUR 5 Million, will focus on investments in technology-based SMEs in the area of Information Technologies in the Northern, Central and Alentejo regions and the 'Novabase Capital Early Stage' fund, with a maximum provision of EUR 1.26 Million, including a contribution from the POR Lisboa program of EUR 0.5 Million, for the Lisbon region.

II. SUPERVISORY BOARD AND AUDITORS REPORT IN RESPECT OF THE CONSOLIDATED FINANCIAL INFORMATION



Audit Committee

Opinion of the Audit Committee on the Consolidated Financial Information

Dear Shareholders,

Pursuant to the law, the mandate from our shareholders and the provisions of Article 423-F, Item g) of the Portuguese Company Code and nº of Article 508-D of the same code, we now present a brief summary of our supervisory activities, together with our opinion on the Annual Report and Consolidated Financial Statements presented by the Novabase SGPS, SA Board of Directors for the year ending 31 December 2010.

Over the course of the period ended December 31, 2010, the Audit Committee held 14 formal meetings and several informal meetings to supervise the following:

- Company management, in terms of compliance with the law, the memorandum of association and other regulations in force, as well as in relation to management activities, policies pursued and the transparency, diligence and credibility of conduct;
- The efficacy of risk management systems and internal control and auditing activities; and
- Mechanisms, procedures and activities employed in preparing and disclosing financial information and reviewing the accuracy of the accounting documentation and accounting policies used by the Company, to ensure that these entail an accurate assessment of the Company's financial status and results.



Audit Committee

Under the powers given to us, we have confirmed that:

- The Consolidated Annual Report accurately, clearly and fully reflects the most significant aspects of the Company's business and financial situation; similarly, all existing risks of both an operational and financial nature have been duly identified; and
- The Consolidated Financial Statements and corresponding Annex truly and fairly reflect the Company's financial situation.

Therefore, in light of the information received from the Board of Directors and the Company's various departments, together with the conclusions of the Statutory Auditors Report of the Limited Review Report which deserved our agreement, it is our opinion that:

- The Annual Report be approved;
- The Consolidated Financial Statements be approved.

Lisbon, 31st March 2011

The Audit Committee

Luis Mira Amaral (Chairman)

Manuel Alves Monteiro (Member)

João Luís Duque (Member)



Statutory Auditors Report in respect of the Consolidated Financial Information

(Free translation from the original version in Portuguese)

Introduction

1 As required by law, we present the Statutory Auditors Report in respect of the Consolidated Financial Information included in the consolidated Board of Directors' Report and the consolidated financial statements of Novabase, SGPS, SA., comprising the Consolidated statement of financial position as at December, 31, 2010, (which shows total assets of Euros 196.496 thousand, total non-controlling interests of Euros 5.724 thousand and a total shareholder's equity of Euros 98.498 thousand including a net profit of Euros 13.053 thousand), the Consolidated statement of comprehensive income, the Consolidated statement of changes in equity and the Consolidated statement of cash flows for the year then ended and the corresponding notes to the accounts.

Responsibilities

2 It is the responsibility of the Company's Board of Directors (i) to prepare the consolidated Directors' Report and consolidated financial statements which present fairly, in all material respects, the financial position of the company and its subsidiaries, the consolidated changes in equity, the consolidated comprehensive income of their operations and their consolidated cash flows; (ii) to prepare historic financial information in accordance with International Financial Reporting Standards as adopted by the EU and which is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code; (iii) to adopt adequate accounting policies and criteria; (iv) to maintain appropriate systems of internal control; and (v) to disclose any relevant matters which have influenced the activity, the financial position or results of the company and its subsidiaries.

3 Our responsibility is to verify the consolidated financial information included in the documents referred to above, namely if it is complete, true, timely, clear, objective and licit, as required by the Portuguese Securities Market Code, and to issue an independent and professional report based on our audit.

Scope

4 We conducted our audit in accordance with the Standards and Technical Recommendations approved by the Institute of Statutory Auditors which require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. Accordingly, our audit included: (i) verification that the subsidiary's financial statements have been properly examined and for the cases where such an audit was not carried out, verification, on a sample basis, of the evidence supporting the amounts and disclosures in the consolidated financial statements, and assessing the reasonableness of the estimates, based on the judgements and criteria of Management used in the preparation of the consolidated financial statements; (ii) verification of the consolidation operations, and, when applicable, the utilization of the equity method; (iii) assessing the appropriateness and consistency of the accounting principles used and their disclosure, as applicable; (iv) assessing the applicability of the going concern basis of accounting; (v) assessing the overall presentation of the consolidated financial statements;

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda.

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Matriculada na Conservatória do Registo Comercial sob o NUPC 506 628 752, Capital Social Euros 314.000

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda. pertence à rede de entidades

que são membros da PricewaterhouseCoopers International Limited, cada uma das quais é uma entidade legal autónoma e independente.

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and (vi) assessing whether the consolidated financial information is complete, true, timely, clear, objective and licit.

5 Our audit also covered the verification that the information included in the consolidated Directors' Report is in agreement with the other documents as well as the verification set forth in paragraphs 4 and 5 of Article 451 of the Companies Code.

6 We believe that our audit provides a reasonable basis for our opinion.

Opinion

7 In our opinion, the consolidated financial statements referred to above, present fairly in all material respects, the consolidated financial position of Novabase, SGPS, SA. as at December, 31, 2010, the consolidated changes in equity, the comprehensive income of their operations and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and the information included is complete, true, timely, clear, objective and licit.

Report on other legal requirements

8 It is also our opinion that the information included in the Directors' Report is in agreement with the financial statements for the year and that the Corporate Governance Report includes the information required under Article 245-A of the Portuguese Securities Code.

March, 31, 2011

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Jorge Manuel Santos Costa, R.O.C.

III. SECURITIES ISSUED BY THE COMPANY AND OTHER GROUP COMPANIES, HELD BY BOARD MEMBERS

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DETAIL ON SECURITIES ISSUED BY THE COMPANY AND OTHER GROUP COMPANIES, HELD BY BOARD MEMBERS OF NOVABASE S.G.P.S. AND OF OTHER GROUP COMPANIES

	Share Capital	Total Number of Shares	Number of shares held by Board Members at 31.12.09	Transactions	Number of shares held by Board Members at 31.12.10	% of shares held by Board Members at 31.12.10
Novabase S.G.P.S., S.A.	15,700,697 €	31,401,394	11,270,757	67,411	11,338,168	36.1%
José Afonso Oom Ferreira de Sousa			2,514,947	0	2,514,947	8.0%
Pedro Miguel Quinteiro Marques de Carvalho			2,170,679	0	2,170,679	6.9%
Luís Paulo Cardoso Salvado			1,903,040	15,000	1,918,040	6.1%
Rogério dos Santos Carapuça			1,884,787	0	1,884,787	6.0%
João Nuno da Silva Bento			1,799,793	0	1,799,793	5.7%
Álvaro José da Silva Ferreira			920,000	33,100	953,100	3.0%
Nuno Carlos dos Santos Fórneas			61,706	19,311	81,017	0.3%
Manuel Fernando Macedo Alves Monteiro			9,000	0	9,000	0.0%
Luís Fernando de Mira Amaral			6,305	0	6,305	0.0%
João Luís Correia Duque			500	0	500	0.0%
NBASIT - Sist. Inf. e Telecomunicações, S.A.	47,500,000 AOA	100,000	0	800	800	0.8%
Álvaro José da Silva Ferreira			0	400	400	0.4%
Francisco Paulo Figueiredo Morais Antunes			0	200	200	0.2%
Luís Paulo Cardoso Salvado			0	200	200	0.2%
CelFocus, S.A.	100,000 €	100,000	3	0	3	0.0%
Paulo Jorge Barros Pires Trigo			1	0	1	0.0%
Francisco Manuel Martins Pereira do Valle			1	0	1	0.0%
José Afonso Oom Ferreira de Sousa			1	0	1	0.0%
COLLAB – Sol. I. Com. e Colab., S.A.	61,333 €	61,333	3,750	0	3,750	6.1%
Pedro Cabrita Quintas			3,750	0	3,750	6.1%
Forward, S.A.	250,000 €	250,000	200,000	0	200,000	80.0%
Bernardo Gomes Pinto			50,000	0	50,000	20.0%
Carlos Costa Brito			50,000	0	50,000	20.0%
Miguel Leite Fragoso			50,000	0	50,000	20.0%
Nuno Baião dos Santos			50,000	0	50,000	20.0%
Manchete, S.A.	150,000 €	150,000	37,501	0	37,501	25.0%
Mª de Fátima da Silva Rebelo			37,501	0	37,501	25.0%
Novabase International Solutions, B.V.	18,000 €	18,000	1,080	(1,080)	0	0.0%
Paulo Jorge Barros Pires Trigo			720	(720)	0	0.0%
Jamie Bridel			360	(360)	0	0.0%

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STATEMENT OF COMPLIANCE

NOVABASE S.G.P.S., S.A.

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Statement of the Board of Directors

Under the terms of sub-paragraph c) paragraph 1 of article 245 of the Portuguese Securities Code, the undersigned, as members of the Board of Directors of Novabase S.G.P.S., S.A., below identified declare that to the best of their knowledge:

(i) the information contained in the management report, the annual accounts, the Auditors' Report and all other accounting documentation required by law or regulation, regarding the year ended 31 December 2010, was prepared in compliance with the applicable accounting standards and gives a true and fair view of the assets and liabilities, financial position and results of Novabase S.G.P.S., S.A. and the companies included in the consolidation perimeter; and

(ii) the management report faithfully states the evolution of the businesses, of the performance and of the position of Novabase S.G.P.S., S.A. and the companies included in the consolidation perimeter, containing namely an accurate description of the main risks and uncertainties which they face.

Lisbon, March 31, 2011

Rogério dos Santos Carapuça
(Non-Executive Member, Chairman of the Board of Directors)

Luís Paulo Cardoso Salvado
(Executive Member, Chairman of the Executive Committee - CEO)

José Afonso Oom Ferreira de Sousa
(Non-Executive Member)

Pedro Miguel Quinteiro Marques de Carvalho
(Non-Executive Member)

João Nuno da Silva Bento
(Executive Member, Member of the Executive Committee)

Álvaro José da Silva Ferreira
(Executive Member, Member of the Executive Committee)

Nuno Carlos Dias dos Santos Fórneas
(Executive Member, Member of the Executive Committee)

Francisco Paulo Figueiredo Morais Antunes
(Executive Member, Member of the Executive Committee - CFO)

Joaquim Manuel Jordão Sérvulo Rodrigues
(Non-Executive Member, Independent)

Luís Fernando de Mira Amaral
(Non-Executive Member, Independent, Chairman of the Audit Committee)

Manuel Fernando Macedo Alves Monteiro
(Non-Executive Member, Independent, Member of the Audit Committee)

João Luís Correia Duque
(Non-Executive Member, Independent, Member of the Audit Committee)

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